

THE NETHERLANDS AND EUROPEAN INTEGRATION:
DOES THE LION GROW WEARY?

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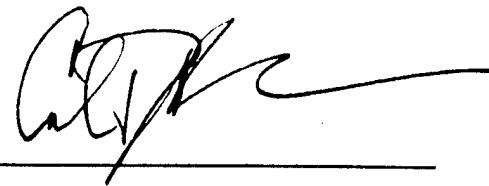


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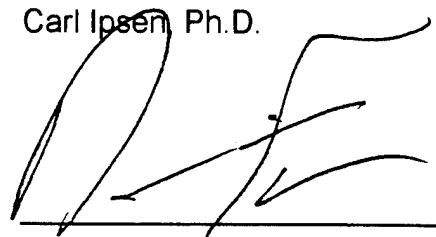
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List of Abbreviations

ARP	Anti-revolutionary Party (Protestant)
CAP	Common Agricultural Policy
CD	Extreme Right Party
CDA	Christian Democratic Party
CFSP	Common Foreign and Security Policy
CHU	Christian Historical Union (Protestant)
CNV	Protestant Labor Union
D'66	Democrats '66
ECJ	European Court of Justice
ECSC	European Coal and Steel Community
EMS	European Monetary System
EMU	Economic and Monetary Union
EPC	European Political Community
ERM	Exchange Rate Mechanism
EU	European Union
KVP	Catholic People's Party
MCA	Monetary Compensation Allowance
MEP	Member of the European Parliament
NATO	North Atlantic Treaty Organization
NKV	Catholic Labor Union
NVV	Dutch Labor Union
PvdA	Dutch Labor Party
VOC	Dutch East India Company
VVD	Liberal Party

Introduction

During the past fifty-six years, Europe has experienced remarkable change. Through six years of total war, the face of Europe was completely transformed, and even before the end of the Second World War, the countries of Western Europe began looking for a new way to maintain peace in the future. Encouraged, and to some extent led, by the United States, the nations of Western Europe began the long journey toward a united Europe.

Unfortunately, most authors tend to concentrate on the perspective of the major players: the Federal Republic of Germany, France, and the United Kingdom. While the activities of these states and their politicians have certainly garnered the bulk of media attention, many of the smaller countries have played significant roles as well. The Netherlands, for example, is a small state of 15 million inhabitants which has been a pivotal player in the process of European integration. Most observers would agree that the Netherlands has been one of the greatest proponents of integration since the beginning of the move toward European Union¹ (EU).¹

Since the signing of the Benelux agreement by Belgium, the Netherlands, and Luxembourg in London more than fifty years ago, the Netherlands has remained at the forefront of the European integration process. Throughout this

¹For purposes of simplicity, this thesis will use European Union (EU) and "the Community" throughout to denote all versions of the European economic and political structures which followed the signing of the Treaty of Rome in 1958. More specific titles will only be used when necessary for clarity.

period social scientists and public commentators, particularly those who focus on European integration issues, have consistently characterized the Netherlands as one of the strongest proponents of the continued *deepening* of the integration process and the move toward *supra-nationalism*. Though this characterization might not be entirely accurate, especially with regard to the relations between the Netherlands and Belgium in the early years of the Benelux, many have still gone so far as to state that the Netherlands pursued the goal of a federal Europe.² This significant commitment, seen most recently in the extremely proactive role that the Dutch government played in the intergovernmental conference which developed the Maastricht Treaty and in the Maastricht Summit itself, has been a relative constant in the ever changing political landscape of the European Union.

The high level of Dutch commitment to the integration process, far surpassing that of most of the other member states, immediately brings to mind two related questions. First, why has the Netherlands remained one of the staunchest supporters of the integration process? Second, given the major reasons behind Dutch support for integration, is their position likely to change, and if so, how? This thesis will attempt to answer these questions, by assessing what effect the internal changes to Dutch society and current events might have on the Dutch position.

While the significant role of international trade in the Dutch economy coupled with the economic benefits of integration provide the basis for one obvious answer to the first question, the complete answer is certainly much more complex. Social and political factors have undoubtedly also played a role. The first three chapters

of the thesis will examine social, economic, and political factors in Dutch society to develop the issue of why the Netherlands has remained the greatest proponent of integration and provide the initial basis for arguments on future Dutch attitudes.

Chapter One will examine the Dutch social structure and the impact of the integration process on social issues in the Netherlands. The chapter will examine the origins, often rooted in the Middle Ages, of Dutch social attitudes and how those attitudes have carried forward until today. The examination of the Dutch social structure will focus on the *pillarization* of Dutch society prior to the 1960's, and the subsequent *depillarization* (or at least *deconfessionalizaztion*), *ideologization*, and *politicization* that started in the mid to late 1960's. The chapter will also examine the Dutch social structure from a cost/benefit standpoint relative to EU membership. This analysis will focus on three major areas. First, it will examine the effect of integration on the Dutch welfare system, possibly the most significant factor from the perspective of the average Dutch citizen. Second, the chapter will examine the impact of integration on employment, and third, it will develop the equal opportunity issue, particularly as it affects the area of employment.

Chapter Two will examine the role of economic factors in the Dutch attitude. Though the economic benefits of integration to the export-oriented Dutch economy are the most obvious cause of Dutch support for integration, a closer examination of the advantages and disadvantages for the Netherlands shows that they do not always benefit from integration. The chapter will begin by examining some of the traditional issues behind Dutch economic involvement, including a more realistic

consideration of the Benelux organization in the early period. It will then examine three specific areas as they relate to the Netherlands: the internal market, the Common Agricultural Policy (CAP), and Economic and Monetary Union (EMU). As in the first chapter, this chapter will provide specific answers to the reasons for Dutch involvement, and provide information addressing future roles.

Having set the stage with economic and social issues, Chapter Three will examine the Dutch attitude from a political perspective. Two major issues, the Atlantic/European debate and the supra-governmental/intergovernmental debate, have played significant roles in the Dutch attitude toward European integration. Therefore, the first portion of this chapter will develop those issues from their origins to their current standing. Developments in these areas should provide a significant clue to the future of Dutch integration efforts.

Less obviously, though at least in recent years just as importantly, the internal politics of the Netherlands have influenced their European position. Chapter Three will address this issue by examining the possible shift from compromise to more confrontational politics and the breakdown, or at least weakening, of Lijphart's *consociational democracy* model. In addition, the final section of this chapter will examine the "Brussels as scapegoat" issue and the effect it will have on the Dutch attitude.

Chapter Four will begin with an examination of the significant debates, both within the government and within the society as a whole, which occurred during the ratification of the Maastricht Treaty. These debates, virtually unprecedented in a

country long known for its automatic "Yes" on all issues that would deepen the Union, provide a key starting point for any discussion of future Dutch attitudes. The Chapter will then examine current Dutch policy and the effect that both the debate over the Maastricht Treaty and the changes in the Dutch social structure have had on it.

A primary, if not dominant, theme of this research is Dutch debate over the ratification of the Maastricht Treaty. Although this debate may come as a surprise to anyone who has focused primarily on the European integration literature, it is not surprising when taken in the full context of the evolution in Dutch society and politics. The closer examination of Dutch society and polity conducted in this thesis will reveal a pattern that has been developing for many years. This pattern, closely related to a variety of phenomena mentioned previously, such as ideologization, politicization, depillarization, deconfessionalization and a move away from consociational democracy, has played a key role in the evolution of Dutch debate and will continue to be a factor in the years to come.

Finally, Chapter Four will bring all of the pieces developed in the first three chapters together to consider the future of the Dutch policy toward European integration. Three possible scenarios exist. First, the Dutch may continue along the path of strong advocacy of European integration that they appeared to pursue with the first Dutch draft of the Maastricht Treaty, in which deepening to a federal position is the primary focus. Second, they may begin to rein in their rampant supra-nationalism and move to a more moderate position, possibly even supporting

widening over deepening. Finally, given sufficient public backlash, it is possible that they will revert to a position similar to that of the British, where widening is the primary focus and further deepening is not particularly desirable.

Notes

1. For examples see Ken Gladdish, Governing from the Center: Politics and Policy Making in the Netherlands (DeKalb: Northern Illinois University Press, 1991), 173, and Derek Urwin, The Community of Europe: A History of European Integration Since 1945 (New York: Longman Press, 1995), 64.
2. For examples see Rudy B. Andeweg and Galen A. Irwin, Dutch Government and Politics (New York: St. Martin's Press, 1993), 220, Luigi Barzini, The Europeans (New York: Simon and Schuster, 1983), 212, John Pinder, European Community: Building of a Union (New York: Oxford University Press, 1991), 1, and Urwin, 73, 109.

Chapter 1

Introduction

Any attempt to examine the Dutch role in European integration, past and future, requires an understanding of the Dutch social climate. This understanding, in turn, requires an appreciation of the long history of Dutch society, at least as far back as the fourteenth century. The trademarks of the modern Dutch social system either date from or were directly influenced by this period. The intervening centuries, marked at different times by economic growth or stagnation, war or peace, molded the Netherlands into the altruistic merchant state which, as Luigi Barzini claimed,

"thought Europe should, as they had always done, keep excellent relations with everybody and look after its business while bestowing lessons in correct behavior to all, defend its moral causes, finance the development of the underdeveloped world, chastise the violators of the rights of man in distant countries . . . , and exercise a high moral authority in international relations."¹

Three general trademarks of Dutch society form the basis of the Dutch attitudes toward European integration. First, the Dutch have, at least since the sixteenth century, strongly supported social welfare issues. As a result, they are very supportive of initiatives which improve the general welfare, both within the Netherlands and in the international community. Second, the early development of a market economy in the Netherlands coupled with negative experiences with protectionism led the Dutch to develop a pro-free market attitude toward economic issues. Third, the Dutch firmly believe that only through international involvement

can small countries, such as the Netherlands, insure their sovereignty. This chapter will develop each of these attitudes further, tracing them from their roots in the Middle Ages into the modern period.

The chapter will also examine the phenomena of pillarization and depillarization in Dutch society. These processes form the key to understanding both the social and political changes in the Netherlands. Finally, the chapter will provide a cost-benefit analysis of Dutch EU membership in three policy areas: social welfare, employment, and equal opportunity. An examination of these three areas is necessary to assess the value of Dutch membership to date and the future of Dutch policy.

Section 1 - Socialization

The earliest determinants of modern Dutch society clearly date from the Middle Ages. At least three significant factors, both in themselves and for the other things they created, appeared during or just after this period. First, the Calvinist religion has always played a significant role in Dutch society since the 1600's, though its influence has declined somewhat in recent years through the effects of depillarization, discussed in detail later. Calvinism is ubiquitous in Dutch society. It is at the heart of many issues relating to the Low Countries. However, one effect which must be mentioned initially is that Calvinism, because of its emphasis on brotherhood, led to the early development of an extensive welfare system. This system, initially designed as a mechanism to bridge seasonal unemployment and

care for people who could not work, became full unemployment relief by the seventeenth century.² The system continued to grow throughout the eighteenth century, and by the nineteenth century the Netherlands had the world's most advanced welfare system.³

The second factor is the geographic location of the Netherlands. While the strategic location of the Netherlands facilitated later growth, the negative aspects of her geography had the greatest initial impact on Dutch society. The continual threat of the sea created a community spirit within the Netherlands that led to the Dutch saying, "*God maakte de wereld maar de Nederlanders maakte Nederland*" (God made the world but the Dutch made Holland) and led the authors of The Seven Cultures of Capitalism to name their chapter on the Dutch: "Self-Constructed Lands: The Dutch as God's Apprentices."⁴ Barzini observed that "the Dutch, whether they speak Dutch, Limburger, or Frisian, know at all times that they are Dutch."⁵

The negative effects of close proximity to the sea also forced the early development of capitalism and a market economy, which made most of the following social developments possible. Because of water intrusion in the fifteenth century, the Dutch farmers had to stop planting winter crops, shifting instead to raising cattle. This switch prevented farmers from practicing subsistence farming, and the Netherlands became a net grain importer.⁶

The need to import grain, a process which required significant transportation assets, had three major effects. First, coupled with the development of the fishing

industry as an alternate food source, it contributed to the early development of the Dutch shipping industries, both ship building and transportation. Second, since farmers still produced summer grains, they developed an oat and barley surplus which allowed a beer brewing industry to develop for both the domestic and export markets. Third, due to the expansive nature of cattle farming, less labor intensive than cultivation, a significant agricultural labor surplus developed which fueled Dutch urbanization as early as the fourteenth century.⁷

Finally, the lack of a significant Dutch feudal system aided the move toward market capitalism. Because the Dutch, unlike the Germans, did not have to overcome the self-serving resistance of feudal lords to create a viable market system, they had a modern real estate market, a large wage labor sector, and a significant middle class by the end of the Middle Ages. The Eighty Years War (1568-1648) effectively broke what little power the nobility had because they pledged their land as collateral for war loans and eventually defaulted on them, resulting in a process of estate break up.⁸

The growing demand for expensive transportation assets to support both the import and export industries resulted in a thriving capital market by 1600. At the same time, the development of the shipping industry to support the items mentioned above also had the secondary effect of creating other trade patterns, especially in silk and spices. With the *Verenigde Oostindische Compagnie* (East India Company or VOC), financed through Amsterdam's capital markets and, in return, providing

high value goods to Amsterdam's thriving trade markets, Amsterdam became the capital and finance center of Europe by the mid-17th century.⁹

This economic prosperity did not come without a cost. Having exhausted agricultural labor reserves to support economic growth, high mortality among seamen and urban populations coupled with severe malaria outbreaks sharply reduced demographic growth, or even made it negative.¹⁰ This demographic contraction caused a labor shortage which in turn caused overall increases in wages, and eventually led to economic stagnation.

By the conclusion of this growth period, which ended around 1650, the Netherlands arguably had the most advanced economy in the world and one of the world's highest wage rates. With a flourishing capital market, large wage labor population, specialized agricultural system, high standard of living, extensive welfare programs and well-developed export markets, she possessed economic structures that most countries would not realize until the nineteenth and twentieth centuries. Interestingly, the attributes listed above also apply to the Netherlands today, demonstrating the close interweaving of modern Dutch society with its past.

The period which followed this expansion, from about 1650 to the end of the Second World War, provided the Dutch with a variety of opportunities to experience things which they did not want to experience again or have as part of their social structure. With the exception of the ecological benefit of late industrialization, most of the events of this period were profoundly negative and refined the Dutch position

on what they wanted from both their internal society and the international community.

Economic stagnation began for the Netherlands around 1650. The combined effects of demographic contraction, wealth concentration, and high wages led to a general decline in the economy. At the same time, a series of Anglo-Dutch Wars resulted in a significant amount of Dutch capital being tied up in government bonds. To pay the interest on these bonds, the government instituted a complex set of taxes and tariffs, giving the Netherlands the highest tax rates in the world by the end of the eighteenth century.¹¹

Massive taxes initiated a further decline in the economy. Despite these economic difficulties, the wage rate remained high for three reasons. First, an extensive state-recognized guild structure had arisen which created inflationary effects by protecting high cost guild industries against low cost non guild competition, both foreign and domestic. Second, the effects of this inflation coupled with import taxes on staples significantly increased the cost of living. Third, the extensive welfare system mentioned previously played a role in maintaining high wages.¹² The system managed to sufficiently distort the labor market so that wages remained constant until the mid-nineteenth century. Some observers referred to the Dutch worker as "bone-idle and a drunkard,"¹³ a comment which is far from the modern impression of the Dutch workforce.

The Dutch did not manage to pull out of this period of economic stagnation until the mid-nineteenth century. The turning point was the creation of a liberal

government in 1840 and the subsequent constitutional revision in 1848. The new government restructured the debt in 1844 and improved working conditions in colonial areas, leading to budget surpluses and increased production. At the same time, the new constitution abolished excise taxes and broke up guilds and business monopolies, driving down consumer prices through both the tax effect and the advent of competition in the marketplace. Only the social welfare system remained unchanged. The success of these programs reinforced the modern Dutch belief in liberal economics, and eventually allowed the country to start down the road to industrialization.¹⁴

The final piece of the Dutch attitude developed during this period was their position on international involvement beyond the economic sphere. Once again, the combined effects of geography and Calvinism played a critical role in the formulation of the position. The economic problems caused by the Anglo-Dutch wars of the seventeenth and eighteenth centuries taught the Dutch the economic value of neutrality. This lesson, reinforced by the Calvinist belief in pacifism and disarmament, led to a Dutch obsession with non-alignment. The Dutch position of strict neutrality continued into the twentieth century, leading to the establishment of the Permanent Court of Arbitration in The Hague. Less than ten years later it also led to their humiliating experience of the First World War as a near vassal state of Germany. At this point, unfortunately for the Dutch, their geographic location stepped in to mold the position which Calvinism had created. With the German invasion of May 1940, the Dutch were firmly reminded that while their

location was fortuitous for economics, it also led to victimization. Five years later, after the complete devastation of the Netherlands, the dangers of neutrality and non-alignment had been firmly imbedded in the Dutch psyche. The possibility of once again being Europe's battleground, this time with nuclear weapons, was unbearable.¹⁵

The preceding section has provided a broad overview for the basis of Dutch attitudes. The roots of capitalism, social welfare, and international involvement are clearly apparent. It also provides the basis for two initial answers to why the Netherlands has been so supportive of the European integration process.

First, their long capitalist tradition and export orientation coupled with negative experiences with protectionism have developed a strong preference for liberal trade and open markets. The continued effects of economic deepening have, at least until now, pleased the Dutch immensely. Chapter Two will develop this issue in more detail. In addition, the Dutch realized that the resulting economic gain coupled with the reduced military spending resulting from being in an alliance would allow the further development of the welfare state, an idea whose Calvinist basis remained dominant over the negative experience of the stagnation period.¹⁶

Second, Dutch war experiences have led to a profound desire to protect the peace. Though this desire initially showed itself as a strict non-alignment policy, given the abject failure of neutrality during the Second World War, their only logical conclusion was to engage in an international organization which could achieve this result. Chapter Three will further develop this argument.

Section 2 - Pillarization in Dutch Society

The concept of *verzuiling* (pillarization), the process of segmenting Dutch society along deep cleavage lines based on one factor that takes precedence over all others at the level of the individual, has been a constant in Dutch society for many years. Some authors, such as Arend Lijphart, argue that it has existed since the birth of the Dutch state during the religious struggles of the Reformation in the sixteenth century.¹⁷ Others, including Erik Bax, argue that modern pillarization began in the nineteenth century with the development of liberal and socialist factions during the age of industrialization.¹⁸ All agree, however, that the period since 1945 has seen the greatest effects of this societal structure.

In the Netherlands, pillarization consists of deep cleavages along religious and class lines, with the issue of religion forming the first division. As a result, Lijphart initially identifies three major groupings: Roman Catholic, Protestant/Calvinist, and secular/progressive. The religious pillars span the class divide in most cases. In the nineteenth century, the secular pillar further divided along class lines, creating the liberal and social democratic pillars. Thus, the modern definition consists of four pillars, a position commonly accepted by all authors. Each of these pillars breaks down further into parties based on orthodox vs. reformed ideologies and other issues, though these are not as significant in the long term because they tended to function within the pillar structure.¹⁹ Table 1-1 below clearly demonstrates this relation at the height of the pillarization period.

Table 1-1 - Religion and Party Preferences 1964 (in average percent per party)				
Pillar/Party	Catholic	Labor	Liberal	Protestant
Catholic	90	6	5	1
Secular	10	89	90	21
Protestant	0	5	5	78

Source: Lijphart's 1964 statistical survey in The Politics of Accommodation

It must be emphasized that pillarization is not the creation of structures as a result of political affiliations, but rather the creation of these religious/class structures themselves, each of which has one or more parties which represent it. In addition to this party affiliation effect, which Chapter Three will discuss further in terms of its effects on the Dutch political structure, pillarization has more immediate effects on the daily lives of the average Dutch citizen. The effects of pillarization are apparent in the structure of Dutch education, health service, media, trade unions and the general distance between segments of the society. Each pillar has its own organizational structures for these issues, and the state allocates resources to them based on proportionality. Thus, several organizations controlled each social function, at least during the pillarization period.²⁰

Since the legalization of Roman Catholicism in the Netherlands during the seventeenth century, the education system in the Netherlands has been divided along Lijphart's three initial lines through all levels of education.²¹ Because this gave each pillar, and particularly the religious pillar, the ability to indoctrinate children along the lines of cleavage at an early age, it solidified the pillarization

process. In addition, because school contacts, one of the most significant early socialization tools, between children were generally limited along cleavage lines the distance between pillars tended to remain constant. This pillarization effect is evident in the period before 1970, as illustrated by Table 1-2 below.

Table 1-2 - Elementary Enrollment by Denomination (in percent of total enrollment)								
Pillar/Year	1950	1960	1964	1970	1980	1984	1987	1991
Public	27.4	26.8	26.2	29.8	31.7	31.6	31.2	31.3
Catholic	27.5	27.1	27.6	27.8	28.2	28.8	29.0	29.1
Protestant	43.3	44.2	44.3	40.1	37.3	35.5	34.3	33.6

Source: CBS Statistical Yearbooks 1988, 1993, and as derived from Bax

In health care, the effects of pillarization appear both in the amount of hospital space available, and the membership levels of home nursing services, designed to supplement the hospital service.²² In both cases, statistics show only slight variations in the allocation of resources prior to the late 1960's (see Appendix A, Tables A-1 and A-2 for details). As with education, the close identification of the populace with their pillar of the health care system through a cradle to grave system had a stabilizing effect on the proportions of the pillars.

In the media, identification along party lines was even stronger. Prior to the *ontzuiling* (depillarization) that occurred in the mid 1960's, the printed press split distinctly along cleavage lines. Newspapers firmly supported party lines and individuals generally did not read publications from other pillars.²³

This split also occurred in broadcasting, where prior to the mid 1960's introduction of two independent broadcasting organizations (TROS and VOO), organizations representing the pillars controlled, as seen in Table 1-3 below, more than 80% of the broadcasting time, both on radio and television.²⁴ Two factors compounded the effects of this. First, the broadcasting organizations didn't control stations in the American sense, but rather programed blocks of time on stations on a rotating basis proportional to their membership. Because the government did not announce these blocks in advance (ie no advertising) the organizations tended to focus all of their allocated time on ideological issues. Second, because the content of programing was primarily ideological rather than entertaining, viewers tended to tune out broadcasts from other organizations.²⁵

Table 1-3 - Broadcasting Memberships (as percent of total members)				
Year/Org	NCRV/VPRO (Protestant)	KRO (Catholic)	VARA (Socialist)	OTHERS
1960	27.6	28.2	24.9	18.9
1965	29.9	26.4	22.9	20.5
1970	21.3	19.5	17.3	41.6
1975	18.6	16.4	14.1	50.6
1980	18.0	15.5	13.3	53.2
1985	18.5	13.9	11.2	56.4

Source: Derived from Bax, p. 207.

Pillarization also occurred within the trade unions. Unlike most other countries where the trade unions have been closely identified with labor movements, trade unions in the Netherlands have developed along cleavage lines. As a result, in addition to the traditional labor party oriented union (NVV), the Netherlands has Roman Catholic (NKV) and Protestant (CNV) labor unions, as well as numerous small unions representing other factions (like white collar workers, orthodox religious groups,

etc.).²⁶ As mentioned previously, religious cleavages bridge class lines and were the dominant factor prior to the mid 1960's.

Table 1-4 - Average Union Membership (in percent of unionized labor force)					
Group/Year	1950	1961	1967	1971	1980
NVV	38.2	36.2	36.2	38.8	42.0
Religious	45.5	45.5	43.3	40.8	35.3
Other	16.3	18.3	20.4	20.4	22.7

Source: Derived from Bax, p. 209.

Labor union membership data prior to the late 1960's supports this assertion, as seen in Table 1-4.

Finally, the cleavage between pillars extends noticeably to the concept of social distance. For all of the reasons mentioned previously, cross pillar linkages were very weak prior to the 1960's. In addition to the organizational structure

Table 1-5 - Cross Denominational Marriage Opinions (in percent responding)					
	1965	1970	1975	1980	1986
No objection	25	59	52	55	54
Depends	5	12	19	18	23
Displeasure	53	21	25	24	31
Would resist	17	8	4	3	3

Source: *Sociaal en Cultureel Rapport* in Bax

cleavages, geographic concentrations also hindered cross cleavage relations, with Protestants concentrated in the north, Catholics in the south, and liberals and social democrats in class-based districts in the major cities.²⁷ Illustrative of this issue are the Dutch marriage patterns (see Appendix A Table A-3) and more obviously, the attitudes of people toward marriage as shown in Table 1-5 above.

These issues, like those mentioned in the previous section, have played a significant part in the development of Dutch attitudes. Many of them will appear again in Chapter Three with the discussion of political shifts within the Netherlands. For now it is necessary to turn to the period which followed the pillarization process, depillarization, which began between 1967 and 1970.

Section 3 - Depillarization

Since the end of the 1960's a move away from the traditional pillarization of Dutch society has occurred. Though this statement in itself is true, there is significant debate over whether this process is actually depillarization, as Bax, Inglehart and Andeweg contend, or simply deconfessionalization as Middendorp, Thomassen and van Deth suggest. The father of the pillarization concept, Arend Lijphart, has vacillated on the issue. In 1975 he argued that depillarization had begun in 1967, but by 1989 he had modified this statement, saying only that social change had begun but that the pillars still existed.²⁸ The actual name, or even scope of this process is not critical to development of this thesis. What is important

is that a shift did occur, as illustrated by the following analysis of the five organizational factors as they evolved after 1965.

Referring back to the organizational structures from the previous section provides identification points for the shift. As Table 1-2 shows, the shift in education began around 1970. Though the apparent shift away from denominational schools is not large, the chart does not represent the significant curriculum changes that occurred at about the same time. In an attempt to compete with the secular schools, the religious schools significantly cut back on the amount of religious instruction conducted in the classroom. By 1990, all schools shared an almost uniform curriculum.²⁹

The shift in the printed press was probably the most dramatic. Based on a series of legal changes in the mid 1960's, the pillars lost their ability to influence newspapers. At the same time, a series of financial crises resulted in a consolidation of the newspaper industry. By 1970, the newspapers had taken on the left/right ideological orientation familiar to the rest of Europe.³⁰

In the broadcasting sector, a shift similar to that in the education sector occurred, though more dramatically. With the introduction of independent broadcasters (only some of which were legal) focused on entertainment programing, the market shares for denominational and nondenominational broadcasting shifted significantly, as shown by Table 1-3. At the same time, as happened with education, in order to compete the denominational broadcasters

began shifting their programming orientation to entertainment and significantly softened their ideological tones.

As Table 1-4 shows, the shift away from religious trade unions actually began before 1967. Though the shift away from the religious unions continued through 1980, it is interesting to note that the NVV absorbed only 50% of the shift. Though no statistics directly address this issue, the strong growth of the tertiary sector, with its traditionally middle class work force, during this period³¹ may account for this shift.

Finally, Table 1-5 illustrates the significant shift in inter-pillar attitudes which occurred between 1965 and 1970. Marriage patterns, as illustrated in Table A-3, mirror this shift on a lower scale, possibly attributable to the slow rate of change in geographic separation which makes contacts more difficult. This is true especially among the larger religious blocs, while the smaller extreme groups have shown a fairly consistent level of intermarriage.

The factors listed above demonstrate a clear trend toward at least deconfessionalization, if not depillarization, beginning between 1965 and 1970. While these trends tend to even off at some point, this leveling can often be related to the softening of ideology by the religious pillars. While this confirmation of the shift is valuable, it does not directly provide insight into the question of why it has occurred and whether it will continue. Answering these questions requires a closer examination of the evolving social system.

Section 4 - Welfare State

Following the Second World War, four significant problems confronted the Netherlands: infrastructure devastation, rapid population growth, the loss of Indonesia, and an export-oriented economy which caused international dependence. In an attempt to avoid a new period of stagnation, the four pillars of Dutch society banded together and agreed that the top priority was economic growth. Through a series of internal actions, which Chapter Two will develop in greater detail, coupled with the recovery of the world economy, the Dutch economy began a rapid growth period in the 1950's. By 1959 the Dutch Government lifted the wage restraints, probably the most significant piece of the cooperation agreement³²

It was the economic success of the 1950's, which occurred as part of the pillarization structure, that most authors agree led to the social shift which occurred in the late 1960's. Economic growth created an economic surplus which allowed the Dutch government to begin the expansion of the welfare state and social security, just as they had intended. The rise in public welfare had two effects.

First, it created higher levels of communication and allowed for increased educational opportunities. These in turn led to an ever increasing exposure to new ideas and cultures and upward social mobility. These factors allowed people to increase their ability to legitimize their beliefs, a process that Middendorp refers to as ideologization. Based on these legitimized beliefs, the Dutch people began to question the ideas and decisions of their pillar's institutions.³³ This questioning,

generally called politicization, was a first step in the shift of Dutch attitudes which Chapter Three will develop further.

The second effect of rising public welfare, and specifically the creation of an extensive social security system run by the government bureaucracy, was weakened dependence on religious institutions and families. Though the Netherlands always had a fairly extensive welfare system, until this point religious institutions had run a significant portion of them and families had made up most of the difference.³⁴ As a result, the increased government role in welfare provision seriously undermined two of the strongest traditional socialization factors, family and religion.

Besides growth in public welfare, economic growth also caused enlargements of scale as both companies and the government grew to meet the growing demands of an expanding economy. Enlargements of scale caused further isolation of individuals which, coupled with ideologization, caused people to increasingly focus on themselves, rather than their traditional associations. This too undermined the pillarization process and contributed to the attitude shift.

Section 5 - EU Membership

Like all EU countries, the Netherlands has experienced positive and negative effects from EU membership. In addition to an understanding of the internal shift in social attitudes identified in this chapter, an analysis of Dutch-EU relations is necessary to accurately assess the possibilities for future Dutch relations with the

EU. From a social standpoint, three EU policy areas stand out in relation to the Netherlands.

First, the concern of Dutch citizens for the effects of EU policy on the Dutch social welfare system is a popular topic of debate among integration scholars and the popular press, though the real effects are probably overestimated. Although the Netherlands held a leading position in social security development through the 1970's, economic crisis, rising unemployment, and most recently the need to cut budget deficits to meet the convergence criteria of the Maastricht Treaty have resulted in significant cuts to the social security system that are unrelated to EU policy. The extensive reconstruction of the social security system has resulted in a shift from income maintenance to subsistence.³⁵

However, EU membership has had some effects on the Dutch welfare system. First, the Dutch used EU social harmonization policies to help push through some of their social cuts. This action, part of the "Brussels as scapegoat" issue, will be developed further in Chapter Three. Second, on the negative side, there have been some reductions in benefit levels, coverage, and conditions of access below the level the Dutch wanted. Finally, on a positive note for at least 50% of the Dutch population, EU policies have resulted in the harmonization of male and female benefits, a new experience for Dutch women.³⁶

The second policy area for consideration is employment. Like the welfare policy, the effect of the EU labor market policies and the free migration policies of the Maastricht Treaty has become a popular topic in the Dutch press. The concern

is that the EU policies will result in massive migration to the Netherlands, home of high wages and a generous social security system. As the last section demonstrated, the social security system is no longer as generous as it once was, and while the

Table 1-6 - Foreign Workers in EU Countries (as a percent of total workers)				
Country/Year	1960	1970	1973	1980
Germany	2	6	11	9
France	6	8	11	9
Netherlands	1	3	3	4
Belgium	5	7	7	11
Luxembourg	16	21	35	37
Italy	-	-	-	-

Source: Derived from United Nations, Labour Supply and Migration in Europe: Demographic Dimensions 1950-1975 and Prospects, UN/ECE, Geneva, found in Molle, 200, and Wolters, 163.

Netherlands certainly has a high wage rate, it has not yet had a significant impact on immigration, at least from within the EU. In fact, despite the fact that the Netherlands has had consistently high wages since the break down of controlled income policies (forced by EU membership), the Netherlands has always had the lowest proportion of foreign labor relative to the other EU founding members with guest worker populations, as shown in Table 1-6. This lack of significant migration is generally attributed to cultural differences.³⁷ Additionally, the completion of the internal market and the other liberalization factors of the Maastricht Treaty will theoretically increase intra-EU trade volume, increasing the quality of life throughout the EU and thus reducing the need for migration.

Finally, in the policy area of equal opportunity, EU membership has had a significant positive effect. In fact, almost all Dutch progress on equal rights for

women is directly attributable to the EU.³⁸ This has occurred primarily because the Dutch constitution gives precedence to EU law. Rather than attempting to pass equal opportunity legislation, the Dutch have allowed the courts to enforce EU policy.³⁹ While this has had a positive impact on the opportunities for women, it has also represented a large financial cost for the Dutch government, which has often had to bear the burden of court rulings.⁴⁰

Summary

This chapter has illustrated the historical and geographic origins of current Dutch social attitudes. The combined effects of Calvinism and geography have provided the basis for the modern Dutch social structure by facilitating the growth of a market-based economy with modern economic and social features as early as the seventeenth century. The subsequent economic stagnation, which lasted through the mid nineteenth century combined with devastating effects of wars that occurred on Dutch soil to mold the pro-European Dutch attitude. This explains J. W. Beyen's proposal for a common market which led to the Messina Conference in 1955⁴¹ and to the massive Dutch support for the federalization process at the Maastricht Summit in 1991. The analysis of the combined effects of growth, stagnation, and war led to the formulation of the first two answers to the question of why the Netherlands has been a strong supporter of the European integration process:

1. A long tradition of capitalism coupled with negative experiences with protectionism have led to a strong preference for liberal trade policies in the Netherlands.
2. Dutch war experiences, particularly during the Second World War, created an intense desire for peace and stability, especially in relation to the Germans.

Each of these answers will receive further consideration in the following chapters.

The Dutch social and political philosophies have been closely interwoven with the effects of pillarization and depillarization/deconfessionalization since the end of the Second World War. These factors have resulted in a slow shift from traditional social positions since the mid 1960's. Chapter Three will examine the significant political effects of these shifts in great detail, and Chapter Four will examine their effects on future Dutch relations with the EU.

Finally, a brief discussion of the specific effects of three EU policy areas as they relate to the Netherlands demonstrated that at least until now the net social effect on EU membership has been positive. While there has been downward pressure on Dutch welfare and social security provisions, much of this pressure has coincided with a desire by the Dutch government to cut welfare costs. Although the use of the "Brussels as scapegoat" technique may have a negative impact on public opinion (see Chapter Four for a further discussion of current public opinion), the actual negative effect of EU membership has been minimal. Like the welfare issue, the Dutch employment and migration issues have been the recipients of bad press. However, the positive effects of the single market seem to have mitigated any negative effect on employment and migration, as seen by the lack of

migration to the Netherlands. Finally, EU equal opportunity policies have generally contributed to creating a more harmonious Dutch society.

The next chapter will develop many of the issues mentioned here as they relate to economics. As with most questions in the social sciences, there is significant cross over between disciplines which requires broad analysis.

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Chapter 2

Introduction

Chapter One introduced the long tradition of Dutch capitalism and the negative experiences with protectionism as key elements in the Dutch support for European integration. Strong economic growth (averaging over 3.1% per year since 1950¹) and the growth of the importance of international trade (to 54% of GDP in 1991, of which 64.2% was within the EU²) have reinforced these elements since the 1950's. Still, the Dutch have not adhered strictly to their pro-capitalist, anti-protectionist belief. Examples exist in the early years of both the Benelux and the European Coal and Steel Community (ECSC) in which the Dutch government either adopted protectionist policies or failed to comply with organizational mandates. This chapter will begin with an examination of this early period and an analysis of what effect Dutch actions in these organizations have on the overall pro-capitalist, anti-protectionist attitude introduced in Chapter One. Close examination will show that early Dutch actions were not indicative of a Dutch reluctance to integrate but rather of the relative unimportance of the early organizations in the context of the Dutch economy.

Following the examination of Dutch actions in the early years of the Benelux and the ECSC, the chapter will discuss the advantages and disadvantages of Dutch membership in the EU in three broadly defined economic policy areas. These areas, selected both because of their importance to the Dutch economy and their

relevance to current activities, are the Common Agricultural Policy (CAP), the internal market, and Economic and Monetary Union (EMU), with its associated common currency. While these areas are not all inclusive, they do represent significant parts of the Dutch economy as it relates to the EU and should provide a solid basis for an analysis of evolving Dutch attitudes.

Section 1 - Early Integration Attempts

The discussion of the Dutch government's position on integration must consider their activities in two early trade bodies, the Benelux and the ECSC. Both organizations were designed to integrate European economies, though they used different approaches. In both cases, the Dutch government proved less than willing to fully comply with the expectations of integration.

The Benelux economic union, with its long history of trade and exchange liberalization, is sometimes referred to as a successful example of Dutch integration tendencies, and even as a model for EU development.³ Molle describes the customs union portion of the agreement, which eliminated all obstacles to internal free movement and created a common external tariff, as taking "a relatively short time to realize."⁴ While these statements are valid in the context of the fifty year existence of the Benelux, they are not completely accurate when referring to the early years of the organization, especially with regard to Dutch protectionist activities.

The governments-in-exile of the Netherlands, Belgium, and Luxembourg began the move toward the Benelux agreement by signing a currency policy harmonization treaty on 21 October 1943. On 5 September 1944 they expanded this treaty to a full customs union, creating the Benelux. They implemented the agreement for the same basic economic reasons that the Dutch later used in their move toward European integration: a history of liberal economic policy and negative experiences with protectionism.⁵

The actual implementation of the agreement was difficult for two reasons. First, because of the early liberation of Belgium and Belgium's retention of her colonies both during and after the war, the destruction of Belgian capital was far less severe than that of the Netherlands. By the end of the war - after the rebuilding of the Belgian industrial base made possible by early liberation and the large cash expenditures of Allied troops stationed in Belgium - the Belgian level of industrial capitalization was only 4% below that of 1939. In the Netherlands, due to the German removal of most portable wealth and the breaking of the dikes, the level of industrial capitalization was, by comparison, more than 27% below the 1939 level.⁶

Second, differences in Dutch and Belgian economic ideologies hindered the implementation of the Benelux treaty. Although the countries involved had agreed to harmonize currency policy in 1943, their fiscal policies did not make this possible. For a variety of social and historical reasons, the Belgians were unwilling to accept economic restraints. As a result, their liberal economic policy proved inflationary

and led to a sharp increase in both wages and prices.⁷ In the Netherlands, the move by the four pillars, mentioned in Chapter One, to band together and make economic recovery their top priority created a more stable environment. In an attempt to prevent economic stagnation, the Dutch government implemented a mixed economy which suppressed both wages and prices. The resulting lack of inflationary pressures allowed the Dutch to maintain low interest rates. At the same time, the Dutch government diverted a significant portion of current income into investment. The combined effect of these policies fostered a cycle which spurred Dutch industrial and economic development, positioning the Netherlands to take full advantage of the world growth trend.

The combination of different economic conditions and policies delayed the implementation of the Benelux until 1948. Even after implementation of the treaty, significant quota systems remained in both Belgium and the Netherlands. The Dutch placed quotas on industrial products to protect fledgling Dutch industries, particularly pharmaceuticals, chemicals, metallurgy and machine tools. Though the primary focus was to prevent cheap German imports from flooding the market, the quotas also applied to Belgian products. At the same time, Belgian quotas on agricultural products, implemented primarily because of a strong Belgian farm lobby, created artificially high food prices in Belgium which added to their inflation woes. Only the combined effects of the return of Dutch industry to competitiveness and the requirements of the Marshall Plan broke this impasse, allowing effective implementation of the Benelux treaty in the mid 1950's.⁸

In the ECSC, Dutch divergence from integration was not as great, though there was one significant deviation. In March 1959, the High Authority of the ECSC declared that overproduction of coal had created a "manifest crisis" and that import controls and production quotas had to be imposed. The Dutch and the Italians, neither producers of coal, opposed this policy because it would deprive them of their cheap coal. Joined by the Germans, who preferred to subsidize their industry rather than rely on ECSC quotas, they blocked the High Authority's proposal, resulting in a significant loss of prestige and a crisis within the ECSC.⁹

At first glance, these instances of the pursuit of national interest at the expense of international treaties could support a theory that the Dutch tend to act in their own self interest, ignoring the needs of the community when it suits them. However, this argument should be taken in the context of the overall significance of these organizations to the Dutch

economy. In the case of the Benelux, trade with Belgium and Luxembourg formed less than 16% of Dutch exports and less than 18% of Dutch imports for most of the

early years, as indicated in Table 2-1. The relatively small size of these markets makes it difficult to justify raising the cost of living and endangering industrial recovery simply to help treaty partners. Had intra-Benelux trade been comparable

Table 2-1 - Dutch Trade Within the Benelux
(as a percent of total Dutch trade)

Type/Year	1948	1953	1957
Imports	14.8	17.2	18.1
Exports	15.6	15.4	15.5

Source: *Benelux 1948-1958. Statistisch overzicht van 10 jaar Samenwerking*, 113, in Boekestijn.

to intra-Community trade in 1957 (41.4% of both exports and imports¹⁰) their actions would probably have been much different.

In the case of the ECSC coal crisis, a similar analysis applies. Though the ECSC market was significantly wider than the Benelux market, its coverage of only two sectors limited its significance to the Dutch. This is especially true for coal, which the Dutch require for power production but do not produce domestically. As a result, import controls and production quotas would have driven up Dutch energy costs, causing the very inflation their economic policy sought to avoid, without benefiting Dutch producers. The potential loss of cheap imports without any reciprocal gain argued against the acceptance of the proposal. Perhaps if the ECSC had a broader base, either in terms of geography or economic sectors, the Dutch reaction would have been different. However, the limited scope of the ECSC made it difficult for the Dutch to accept the quotas.

The Dutch attitude toward joining the EU further supports this argument. The Dutch government's proposal for tariff reductions in Western Europe in 1948 and their subsequent call to expand the provisions of the ECSC to all sectors¹¹ indicate a definite Dutch willingness to accept economic sacrifices, the abandonment of protectionism, in exchange for access to the larger market. Due to the relatively small scale of the Benelux and the limited sectors of the ECSC, integration at the level of the Treaty of Rome was neither politically nor economically feasible for the Dutch government. In addition, the Dutch willingness to accept short term austerity

measures in the form of wage and price restraints (economic sacrifice) to foster economic growth in the long run also seems to support this point of view.

In the end, the characterization of the Dutch as pro-capitalist and anti-protectionist remains valid. The early years of the Benelux and the ECSC could be viewed as contradicting this assessment, but only on the surface. In fact, there is significant evidence that indicates the Dutch are willing to take a long term view of policy measures and accept sacrifices in the short term if they perceive a corresponding benefit in the long term. Thus a direct return, as implied by the selfishness theory, is not necessary so long as there is the possibility of some future reward.

Section 2 - The Common Agricultural Policy (CAP)

The shift that occurred in Dutch agriculture in the fifteenth century put the Dutch in a position to profit from EU membership. As mentioned in Chapter One, their early specialization in animal husbandry, coupled with the subsequent demographic shifts, caused the Dutch to develop an efficient agricultural sector. In the early twentieth century the Dutch government actively fostered this specialization through capital investment to create an efficient agricultural infrastructure. The effective Dutch transportation system further enhanced the sector, giving the Dutch significant comparative advantages in meat, meat products, and certain vegetables and fruits.¹² Though the dike breaking conducted by the Germans at the end of the war devastated this sector, it recovered rapidly once the

Dutch repaired the dikes in 1945. By 1957, the Dutch focus on using cheap imported grains to produce meat and dairy products with large added value for the export market resulted in agricultural production accounting for 35% of exports.¹³

Their comparative advantage in agriculture naturally caused the Dutch to pursue agricultural issues. Because the Belgian quota system mentioned above prevented the Dutch from fully realizing the potential of this comparative advantage in the early years of the Benelux, the Dutch intensified their pursuit of open agricultural markets during the negotiations which preceded the Treaty of Rome. Although the Dutch initially wanted only a free market for their products, they eventually agreed to include some form of CAP, despite their fear of its effects, particularly the loss of cheap grain imports from outside the EU. In the end, the Dutch made the inclusion of the articles on agriculture a precondition for their acceptance of the treaty.¹⁴ This willingness to accept the negative effects of the CAP in order to benefit from a large European market is another example supporting the argument that the Dutch have been willing to accept sacrifices in return for gains in other areas mentioned at the end of the last section.

The appointment of Sicco Mansholt, the Dutch Minister of Agriculture in the first post-war governments, to fill the Dutch seat on the first European Commission was a natural result of Dutch concern about agricultural issues. During the following ten years, Mansholt held the Commission portfolio for agriculture. He guided the CAP from his initial proposal of a levy on cheap agricultural imports which would be returned to farmers to offset the negative effects of the imports of

farm income (modeled closely on the Dutch system) to its actual creation in 1968. Though the final policy was significantly different than Mansholt's initial proposal, the Dutch agricultural control policies played a major role in the CAP's development.¹⁵

In the end, Mansholt's guidance in the development of CAP combined with a shift to cheaper substitute food grains prevented the Dutch fear of high grain prices from having a significant impact. Instead, the CAP became a significant source of profit. The Dutch comparative advantages, coupled with the CAP's goal of providing a guaranteed standard of living via market price regulation, even for the least efficient producers, created significant profit margins for the efficient Dutch.¹⁶ Because the EU6 deleted Mansholt's recommendation for structural reforms from the original version of the CAP which would have gradually eliminated inefficient producers,¹⁷ the Dutch maintained these large profit margins during the escalation of the CAP in the 1970's and 1980's.

Despite, or possibly because of large profits from the CAP, the Dutch increased agricultural productivity at an average rate of 4.1% per year after 1980.¹⁸ By 1986 the Dutch were the most efficient agricultural producers in Europe, both in terms of value of production per hectare and contribution to GDP relative to labor required. The per hectare value of agriculture in the Netherlands was over five times the EU average and almost twice that of Belgium, their closest competitor.¹⁹

However, all of these benefits did not come without a cost. While the Dutch agricultural sector enjoys large profit margins due to the CAP, the Dutch consumers

have suffered from the artificially high prices. Though the Commission argues that because income growth has exceeded food price growth since 1977²⁰ the consumers are better off, the fact that consumers have to purchase food at artificially maintained prices above the market rate is still a negative welfare effect. In addition, the Commission's report provides statistics which show that EU food prices are, on average, 13% higher than in major American cities, which suggests that the EU consumers are paying more than the free market requires.

In addition, consumers are suffering from the negative environmental effects of their agricultural system. Because Dutch agriculture is based on importing grain to feed livestock, they produce significantly more waste than they need to fertilize their own pastures. This situation has resulted in over fertilization which in turn has led to contamination of ground and surface water.²¹

In the 1980's, the European Commission moved to cut CAP expenditures through price restraints and production quotas in an attempt to control the Community's budget. The Dutch, in conjunction with other net exporters and efficient producers, unsuccessfully attempted to oppose the measures. They instead supported a British proposal for a complete overhaul of the CAP.²² While this opposition to the Commission and the majority of member states may seem like another example of Dutch national interests taking precedence over Community needs, it must be remembered that in the end the Dutch complied with the restrictions and despite the negative impact on farmers, the country remained overwhelmingly in favor of integration.²³ In addition, based on the Dutch support

for the overhaul proposal, which has not yet been implemented, it is clear that the Dutch are not opposed to CAP reductions, so long as those reductions involve trade liberalization.

The fact that only 45% of Dutch agricultural production, compared to the 60% EU average, qualify for EU minimum prices makes this argument even more compelling. Because the bulk of the supported products are also products which the Dutch have comparative advantages in, liberalization of these markets will benefit the Dutch. The combined effects of a relatively small percentage of Dutch agricultural goods falling under the CAP and the competitive advantages of those same sectors is so great that the Dutch, along with Belgium and the United Kingdom, would actually benefit from unilaterally leaving the CAP.²⁴ The fact that they have not is another indicator that because of the Community's long term benefits, the Dutch are willing to make sacrifices.

Section 3 - The Internal Market

The creation of an internal European market that eliminates all barriers to trade and the movement of production factors has been a primary goal of the Dutch government since it proposed the expansion of the ECSC to include all sectors of the economy. Since the ratification of the Treaty of Rome, the Dutch have actively pursued internal market development. The creation of the Single European Act in 1986 and the subsequent Maastricht Treaty in 1991 have brought the Dutch closer to finally realizing this goal.

The Dutch pursued this course despite its initially marginal, if not negative welfare effect. Because of the Benelux's relatively low external tariff rate, entry into the EU resulted in tariff increases on extra area trade.²⁵ These tariff increases led to trade diversion away from low cost world suppliers toward higher cost EU members. The disappearance of preferences within the Benelux caused additional trade diversions. The combined effect of higher tariffs and loss of internal trade preferences resulted in a net trade diversion of \$97 million in 1968 prices,²⁶ a net welfare loss that consumers absorbed in the form of higher prices.

The Dutch were willing to accept this short-term welfare loss because of the long-term dynamic benefits of market membership (increased trade, creation of economies of scale, technology diffusion, etc.). In terms of trade, Table 2-2 illustrates that throughout the period, both total trade and intra-EU trade increased significantly. This increase in trade contributed to the overall growth in the economy which fueled employment and wage growth, increasing general welfare.

Table 2-2 - Dutch Trade Growth					
	1950	1957	1968	1986 [†]	1992
Average annual growth by period [‡]	n/a	12.5%	8.8%	n/a	10.4%
EU trade as % of total trade	n/a	41.4%	54.7%	63.8%	71.0%

Source: derived from CBS Statistical Yearbook and OECD Trade Data, numerous years.

[‡]Data is not adjusted for inflation

[†]Shift of sources caused data incompatibility for growth statistics in 1986

In addition, the large Dutch investments in capital which began after the war revitalized Dutch industry and made it competitive. The complete reconstruction of

the infrastructure made necessary by the war damage reinforced the Dutch competitiveness by forcing them to use the most modern technology in their industry. The combination of these factors put the Dutch in a position to take advantage of the economies of scale caused by the internal market.²⁷

From an economic standpoint, the Dutch have gained significantly from the internal market. Though there were some initial negative effects caused by trade diversion, the long term dynamic benefits of membership coupled with the eventual reductions in EU tariffs compensated for initial disadvantages. The internal market has allowed cost-effective Dutch producers to consolidate market share, benefit from economies of scale and reduce costs.

In addition to the effects of the internal market on social issues discussed in Chapter One, there are four other areas where negative effects are possible through the strengthening of the internal market. The elimination of non-tariff barriers, traditional government authority regarding professional qualifications, consumer protection, and environmental protection will transfer to the European Commission. However, because the EU has not yet standardized these policies and because some of the non-tariff barriers still exist, it is not possible to judge whether transfer of authority will adversely effect the Netherlands. Despite these possible negative effects, Eurobarometer statistics show only minor shifts in the Dutch attitude toward Community membership, as indicated in Table 2-3 below.

Table 2-3 - Dutch Attitudes Toward EU Membership (in percent of those surveyed)								
	1987	1988	1989	1990	1991	1992	1993	1994
Good	83	78	82	82	88	84	83	79
Neutral	11	14	11	11	7	9	11	14
Bad	3	3	3	3	3	3	3	5
No Res.	3	5	4	4	2	4	3	2

Source: Eurobarometer Trends, 1974-1992 and Eurobarometers 39 and 41.

Section 4 - Economic and Monetary Union (EMU)

EMU will take the internal market and expands it to include either irrevocably fixed exchange rates with full convertibility between currencies or a common currency. The creation of the high degree of fiscal integration (in terms of common economic and monetary policies) and the creation of a central bank to which member states transfer some aspects of economic and monetary sovereignty make the fixed/common currency possible. The large Dutch reliance on foreign trade has caused the Dutch to consistently support attempts to stabilize the currency markets because of the negative effect that currency instability has on trade.

Unlike most member states, the Dutch have had success in remaining within both the ill-fated "Snake" mechanism created in 1972 and the somewhat more successful Exchange Rate Mechanism (ERM) created in 1979. They achieved this by tying their monetary policy to that of Germany. The consistent linkage of the Dutch and German policy led the *Volkskrant*, a major Dutch newspaper, to refer to

the Dutch Ministry of Finance as "a branch office of the *Bundesbank*."²⁸ This linkage has had two advantages and one significant disadvantage.

By shadowing the tight German monetary policy, the Dutch have maintained the value of the *guilder* against the *deutschmark*, and thus have increased its value against most other world currencies. The strong guilder has had two positive effects. First, it has kept import prices low which, coupled with wage restraint policies, has resulted in low inflation. Second, the appreciation of the *guilder* against other member currencies has allowed the Netherlands to benefit from the Community's monetary compensation allowances (MCA), which are designed to offset exchange rate losses caused by the appreciation of a country's currency relative to a country that it exports to. In practice, the MCA's have subsidized Dutch exports and penalized imports from other member states.²⁹

The disadvantage of shadowing German monetary policy is neither as direct nor as well documented as the advantages. However, it has had a negative effect, which could have significant consequences for Dutch entry into the EMU. By shadowing German monetary policy, the Dutch maintained unusually high interest rates through most of the 1980's. While this interest rate policy kept down inflation, it also resulted in a higher cost of borrowing for the government. At the same time, the Dutch welfare system, which the government had not yet begun to scale back, created significant budget deficits. The overall result was that the Dutch government had to finance their deficits at self-imposed high interest rates and could not take advantage of the devaluating effects of inflation and repay the debts

with less valuable *guilders*. Though the government began to rein in spending by the end of the 1980's, the combined effects of budget deficits and high financing costs had created a total public debt equal to 80% of GDP by 1993,³⁰ significantly above the Maastricht criteria mentioned below.

The Maastricht Treaty (1991) was the first Community treaty to officially outline EMU. Designed by the Dutch, it established strict convergence criteria for entry into the EMU and its associated single currency. First, and possibly most troublesome for member states, it required governments to show "healthy" budget positions defined as annual deficits of less than 3% of GDP and total public debt of less than 60% of GDP. Second, it required governments to demonstrate price stability by keeping inflation within 1.5% of the three best performing members. Third, it required currency to remain within the 2.25% band of the ERM for two years. Fourth, it required members to demonstrate the durability of their convergence by keeping long term interest rates within 2% of the lowest three countries.³¹

EMU will create two benefits for the Dutch in addition to those created by the ERM. First, the extension of the internal market to capital will expand Dutch opportunities for investment as well as increasing capital sources. Second, by harmonizing monetary and fiscal policies to create the EMU, the combined entity will have significantly more market power than the Netherlands alone.³²

The full implementation of EMU will also have two negative effects. First, it will eliminate the MCAs that the Netherlands currently receive under the ERM.

However, because of the competitive advantages mentioned previously, this should not have an effect on market share or production levels. Second, in order to even enter the EMU, the Dutch will have to reduce their budget deficits. As discussed in Chapter One, this will involve cutting social security benefits, which has a negative effect on welfare. However, because the Dutch government was already cutting expenditures for other reasons, the social effect attributable to EMU should not be great.

Summary

This chapter examined the development of Dutch EU membership along two lines. First, It addressed Dutch activities in the early years of the Benelux and later in the ECSC, highlighting actions by the Dutch government which pursued national interests rather than organizational goals. However, by examining Dutch actions in relation to the size of the organizations and then comparing these situations to the Dutch attitude toward the EU, it became apparent that when the Dutch had the opportunity to make long term gains in return for short term sacrifices, they were willing to do so. In the case of the Benelux and the ECSC, the scope of the organizations did not justify sacrifices that would damage Dutch competitiveness outside of the organizations and hurt them financially.

Next, the chapter addressed the policy areas of CAP, the internal market, and EMU. As was the case with the social issues in Chapter One, the net economic effect of Dutch membership in the EU has been positive. Both the internal market

and EMU still have additional benefits to create as they develop completely. In the case of the CAP, the Dutch benefit has stabilized, and reduction or even elimination of the CAP will not hurt the Dutch, particularly the Dutch consumers. These positive effects reinforce the Dutch preference for liberal trade, mentioned previously as one of the key elements to Dutch support for European integration.

The next chapter will examine the evolution of the Dutch political system as it relates to the EU. It will begin by examining Dutch attitudes toward integration as they emerged from the Second World War, and trace the development of Atlanticism and supra-governmentalism in the years that followed. The chapter will then examine the effects of depillarization on the consociational democracy model and end with a discussion of the "Brussels as scapegoat" concept. In total, it will, combined with the information already presented, provide the basis for an analysis of the debate over the Maastricht Treaty.

Notes

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Chapter 3

Introduction

Chapter One introduced the long tradition of Dutch capitalism and Dutch war experiences as key elements in the Dutch attitude toward European integration. As Chapter Two demonstrated, the economic benefits of Community membership have reinforced the Dutch belief in integration as a means of promoting capitalism. This chapter will examine the effects that Dutch war experiences have had on Dutch attitudes toward integration, focusing on their development of an *Atlanticist* position in foreign policy, designed to ensure stability on the continent, and on their support of supra-national structures for the community, designed to prevent domination by the larger states.

The chapter will also examine the internal changes in the Netherlands, introduced in Chapter One, from the political perspective. The politicization of the Dutch people made possible by the successes of the welfare state have created a new reality in Dutch politics. Prior to the mid 1960's, Dutch political parties had stable membership bases made possible by the pillarization of Dutch society. The weakening of pillarization caused by the politicization of Dutch society also decreased the stability of membership bases for the Dutch political parties. A party's position on issues became more important than which pillar it represented when the voter entered the voting booth. As a result, the political parties had to end their reliance on pillarization for their votes, developing ideological positions

to maintain their vote share. This need to garner voter support caused a shift away from the traditional compromise politics of the consociational democracy model to a more confrontational approach. The chapter will explore the ramifications of this shift in regards to Dutch involvement with the EU.

Finally, the chapter will explore the role that EU membership has played in the internal politics and government of the Netherlands. The politicization of the Dutch population and the resulting move to more confrontational politics created a need for a stabilizing factor in the fragmented Dutch political system. EU membership has provided at least one such factor in the form of the “Brussels as scapegoat issue.” The combined effects of greater secrecy at the EU level for decision making and the precedence of EU law granted by the Dutch constitution have allowed the government to either blame EU regulations for their decisions or to simply not make decisions, which results in the Dutch courts enforcing EU regulations.

Overall, the chapter aims to provide further insights into the reasons for Dutch involvement in the European integration process up to the Maastricht Treaty, portraying the long historical development of Dutch policy. It will also provide insights on the significance of the “Brussels as scapegoat” concept to Dutch EU membership from the political perspective, facilitating the analysis of the significance of the debate process relative to Dutch commitment to the integration process.

Section 1 - The Early Years

The basis of Dutch foreign policy since 1945 can be traced to two factors. First, as identified in Chapter One and developed in Chapter Two, the Dutch capitalist tradition played a significant role in the push for liberal trade. Second, and probably just as important, the collapse of the Netherlands in 1940 led to the abandonment of traditional Dutch neutrality. With the subsequent creation of both a government-in-exile and resistance movements, this shift became readily apparent. On the continent, H.M. van Randwijk, editor of the resistance paper Vrij Nederland (NL),¹ stated "We had to radically turn the pages of the past [neutrality] on 10 May [1940] and begin a new page [in our history]."¹ At the same time, a number of articles appeared in the exile community's version of Vrij Nederland (UK) supporting the argument that neutrality had to end and that collective security was more important than national sovereignty.²

The two communities did not, however, agree on the form that this "end of neutrality" would take. On the continent, resistance papers constantly emphasized that what was being fought for was a broad based, deeply connected European community. Jan Romein, editor of the resistance paper Het Parool, said "... still the thoughts run to a supra-national organization" with responsibilities in economic, social, and judicial areas, and comprised of continental Europe less the Soviet

¹During the Second World War, two publications entitled Vrij Nederland existed. For the purpose of clarity, the paper published by the resistance movement will be referred to as Vrij Nederland (NL) while that published by exiles in the United Kingdom will be referred to as Vrij Nederland (UK).

Union and including French and Spanish possessions in Africa.³ This position can also be seen in a subsequent anonymous editorial in Het Parool, attributed to Romein, which stated that ". . . a military alliance is really not enough. The cooperation of the alliance members has much further to go, especially in the area of the economy." The article calls initially for a customs union with Belgium and eventually for a currency union which would include France and the United Kingdom.⁴ Within the exile community, the end of Dutch neutrality took on a very different form. Because of Dutch overseas possessions and the need for a counter weight to renewed German aggression, the government-in-exile believed that an organization based on the continent would not be sufficient. They believed that what was really needed was a broader international security organization, which included the United States, combined with regional cooperation between small states (like the Benelux) at the governmental level. The goal of this structure would be to prevent domination by the larger states. The Dutch exile community consistently opposed the creation of a European bloc.⁵

The examples listed above identify the initial Dutch positions in both the Atlantic/European debate and the supra-governmental/intergovernmental debate. The resistance movement, which included significant portions of the Dutch prewar political elite, favored European based supra-governmental organizations, though they were not actively opposed to Atlantic security structures. The exile community, consisting primarily of businessmen and bankers, favored an Atlantic based

intergovernmental structure, particularly in the security field, and strongly opposed the federalist positions of the resistance movement.⁶

Following the first post-war election in 1946, the *Partij van de Arbeid* (PvdA or Dutch labor party) convinced Queen Wilhelmina to have Professor Willem Schermerhorn (PvdA) form a coalition government. The resulting government, which included all the major parties in proportion to their share of the vote as shown in Table A-4, represented both sides of the political debate, though representatives of the former resistance movement, champions of supra-nationalism, had the preponderant voice. The government included such notable figures as Sicco Mansholt (PvdA), who would later develop the CAP, and Hendrick Brugmans (*Katholik Volkspartij* or KVP) who was the leader of the *Beweging van Europese Federalisten* (Organization of European Federalists or BEF) and would later become the founding executive of the European Union of Federalists (EUF), a multi-country organization.⁷

The domination of the post-war government by the supra-nationalists was related to two factors. First, as mentioned above, the bulk of the traditional political elite remained in the Netherlands during the German occupation and adopted a policy of supra-nationalism. Second, unlike in most other European countries, the Dutch federalist group (including both political elites and average citizens) that grew out of the resistance movement remained intact after the war. Lippens attributes this success to their well developed organizational and financial structures and their

broad appeal which transcended party lines and allowed them to create strategic links with all of the Dutch trade unions.⁸

Despite the domination of the first government by supra-nationalists, the period immediately following the war witnessed the emergence of a Dutch foreign policy stance which was a mixture of the two positions mentioned above. Between 1946 and 1949, all of the major Dutch political parties adopted the view that they could only guarantee Dutch sovereignty through the combined effects of active membership in international organizations (particularly an Atlantic based security organization) and the fostering of European (particularly Franco-German) integration. The PvdA, whose election platform of 1946 favored an active role in international affairs and an internal focus on social and economic harmonization, began the period with the combined Atlanticist/supra-nationalist policy.⁹ The KVP, which represented the Catholics, began the period as European oriented supra-nationalists, but moved to Atlanticist/supra-nationalist position as the rift between the Soviet Union and the West began to grow.¹⁰ The two major Protestant parties, the *Antirevolutionair Partij* (ARP) and the *Christelijk Historische Unie* (CHU), both began as intergovernmentalists but moved to the supra-nationalist position as they recognized the need for European solidarity in the face of the growing Russian threat, with the CHU switching positions in 1947 and the ARP in 1949.¹¹ Finally, the *Volkspartij voor Vrijheid en Democratie* (VVD), created in 1948 to replace the *Partij van Vrijheid* as the representative of the liberals, started out as Atlanticist/intergovernmental but moved to support the Atlanticist supra-

governmental position in 1949.¹² By 1950, all of the major parties had adopted the Atlanticist/supra-nationalist position.

The Dutch Parliament translated these party positions into two resolutions supporting integration. The first, passed in April 1948, authorized the transfer of authority to "supra-national organizations, especially in the monetary, economic, and social areas, and in that of defense."¹³ This resolution eventually became Article 94 of the Dutch Constitution. The second, passed in February 1949, recognized that "at the international level, direct citizen influence could not be missed" and that therefore a European Assembly was necessary.¹⁴

By the early 1950's, the Atlanticist/supra-nationalist policy was firmly embedded in the Dutch government and was demonstrated by Dutch support of both the North Atlantic Treaty Organization (NATO) and the ECSC. NATO allowed the Netherlands to continue their close contacts with the United States while providing a counter-weight to both Germany and the Soviet Union. At the same time, the supra-nationalist ECSC created an organizational structure which would prevent domination by the large European powers, protecting Dutch national interests, while at the same time integrating Germany into the European framework to increase European stability.

Dutch pursuit of supra-nationalism continued in the 1950's with the Dutch Foreign Minister, J.W. Beyen (PvdA), proposing an extension of the ECSC to all economic areas. Following Beyen's proposal, made in a letter to the ECSC Foreign Ministers, he, Paul-Henri Spaak (of Belgium), and Joseph Beck (of Luxembourg)

became the driving force behind the Messina Conference, which led to the Treaty of Rome in 1957.¹⁵ Although the Dutch Parliament was the last to ratify the treaty in December 1957, support for the treaty was nearly unanimous, with only the Communists and a small Orthodox Calvinist faction voting against it.¹⁶

The Dutch government continued to pursue the Atlanticist/supra-governmentalist policy until the early 1990's. In 1962, the Dutch government played a pivotal role in defeating Charles de Gaulle's proposal for a European Political Community (EPC) because it proposed intergovernmental institutions and called for the EPC to assume NATO's role.¹⁷ Two years later the Dutch government began calling for a directly elected European Parliament, a policy which resulted in the Dutch Parliament passing a resolution in 1969 that prevented the Dutch government from agreeing to any plan for the EC to get its own tax resources that did not include increased budgetary powers for the European Parliament. This resolution was extremely significant because Community rules required unanimous approval to create tax resources. The need for increased tax resources caused by the explosion of CAP requirements forced the EC to address Dutch demands, which led to the amending treaties of 1970 and 1975 to give the European Parliament increased budgetary authority.¹⁸

In the 1980's, the Dutch began a slow shift away from Atlanticism and increasingly focused on European issues. The basis for the shift can be traced to changes in the international structure which had originally made the Atlanticist policy desirable. The policy, based on fears of domination by the larger European

powers and the possible military threat of both Germany and the Soviet Union, had been overcome by events. Due to expansion of the Community to include twelve members, there was no longer a threat of a few large countries dominating the others. Germany had been successfully integrated as a strong democracy through both the EC and NATO. With the collapse of the Soviet Union in the early 1990's, the last of the reasons for the Atlanticist policy disappeared.

This shift in Dutch policy first became apparent with the publication of a Dutch government white paper entitled "Europe: The Way Forward." In it the Lubbers government argued that intergovernmental structures such as the European Council could never be as effective in guaranteeing and safeguarding the legal order of the community as a federal organization would be. In light of the developments in Eastern Europe at the time, they argued that strengthening the democratic legitimacy of the Community and deepening Community integration in all policy sectors would help to stabilize a greater Europe.¹⁹

Shortly after the Netherlands assumed the Presidency of the EC on 1 July 1991, the shift in policy became even more apparent. Unhappy with the draft Treaty on European Union (TEU) created during the Luxembourg presidency in the spring of 1991, which called for the three pillar structure under the control of the European Council that was eventually adopted at Maastricht, the Dutch submitted a new proposal. The first Dutch draft of the Maastricht Treaty eliminated the three pillar structure and created a unified supra-national structure which would have authority in all areas, including a common foreign and security policy (CFSP).²⁰

Though this draft was eventually rejected, a shift in Dutch policy away from Atlanticism was clearly evident. The second Dutch TEU draft returned to the three pillar structure of the Luxembourg draft but retained the strong federalist wording and the extension of supra-national powers from the first draft. With the exception of the federalist wording, removed to appease the British, most of these changes remained in the Maastricht Treaty as it was adopted in December 1991.

The preceding outline has examined Dutch foreign policy in the period following the Second World War. Based on the desire for security and freedom from domination by large continental powers, the Dutch pursued a combined policy of Atlanticism in security affairs and supra-nationalism in European affairs. This policy did not change until the international environment that made Atlanticism necessary changed. Though the Dutch are still committed to NATO, they have become willing to entertain the idea of a CFSP that functions under NATO's umbrella.

Section 2 - Consociational Democracy

Arend Lijphart defines consociational democracy as "democracies with subcultural cleavages and with tendencies towards immobilization and instability which are deliberately turned in to more stable systems by the leaders of the major subcultures." Such a system requires overarching cooperation at the elite level based on recognition of the danger in a fragmented system and a commitment to system maintenance. He argues that the existence of consociational democracy

allows multi-party systems, such as those in the Netherlands and Switzerland, to form stable governments while multi-party systems like Italy's, which do not practice consociational democracy, are unstable. In the case of these three states, the two consociational democracies are much more stable than Italy, despite the fact that their political systems have a higher degree of fragmentation.²¹

Lijphart's consociational democracy model overlays the pillarization structure presented in Chapter One. The first postwar Dutch governments clearly demonstrate the validity of his theory, incorporating all of the major parties into a coalition government which cooperated in the pursuit of national interests, both political, as mentioned in the preceding section, and economic, as mentioned in Chapter Two. The stability of the early governments was further facilitated by general political disinterest within society. The lack of political interest coupled with the pillarization of society resulted in great legitimacy for the government. The population tended to fall in line with government decisions no matter how unpopular they were. For example, a majority of the Dutch population opposed the independence of Indonesia, yet when the Dutch Parliament voted to grant independence with a two thirds majority, there were no public protests.²²

With the basis of the Dutch political system resting on the pillarization structure, the weakening of that structure by the politicization process in the 1960's suggests a change in the political structure as well. An examination of the attitudes

toward political activities shows a shift to a more active role for Dutch citizens, both in verbal support and active participation.

As Table 3-1 indicates, Dutch support for individual political activities increased significantly

during the period. While data is not available for years prior to 1966, the relatively high percentage already supporting demonstrations could be attributable to the fact that the ideologization process actually began prior to the perceived shifts in the pillarization structure identified in Chapter One. The shift in verbal support also corresponds to a similar shift in peaceful political activity participation, as seen in Table 3-2 below.

Table 3-1 - Public Opinion of Political Activities (in percent supporting)			
Activity/Year	1966	1970	1986
Demonstrating	58	78	82
Criticizing Royalty	48	56	60
Refusing Military Service	40	52	58
Freedom of Writing	58	73	72

Source: *Sociaal Cultureel Report 1986* as cited in Bax

Table 3-2 - Frequency of Unconventional Political Behavior
(in percent surveyed who participated)

Activity/Year	1974	1981	1990
Signed Petition	21	36	51
Joined Lawful Demonstration	7	14	25
Joined Boycott	5	7	8

Source: 1974 Political Action Survey and 1981 and 1990 EVSSG Surveys as shown in Inglehart, 355.

The shift in the political structure suggested by the data above and the shift in the pillarization structure identified in Chapter One, whether it is called deconfessionalization or depillarization, became apparent in the 1967 elections.

This shift, based on ideologization and politicization, was embodied in the creation of the Democraten '66 (D'66) in 1966, a new center-left party that favored American style campaigning and first past the post elections like those in Great Britain. Their original platform read:

"The voters select the Second Chamber of Parliament. Afterwards, the formation of a cabinet is initiated. You, being the voter, have no influence whatsoever on that formation... Only this is certain: the program of the government, which will decide our fate in the next few years, comes into being without any influence or participation by the voters."²³

As Table A-4 illustrates, the expected political shift occurred in the 1967 elections. The losses by both the KVP (8 seats) and the PvdA (6 seats) were unprecedented, with the beneficiaries being the D'66, the leftist *Communististische Partij van Nederland* (Communist Party or CPN) and the single interest *Boerenpartij* (Farmer's Party),²⁴ which were all part of the movement to a more politicized electorate.

However, the shifts in the political system did not end with the creation of D'66 and the subsequent vote shift in 1967. The loss of six seats caused a revolution within the PvdA, and the party recast itself as a more radical and aggressive political force. In addition to the policy restructuring, which included the adoption of a polarization strategy and the use of the election manifesto as a non-negotiable position statement, the party's leadership also changed. Power shifted from the traditional labor leaders to young members of the middle class, the vanguard of the politicization process, who were more leftist than labor oriented. The shift in PvdA policy to polarization caused a breakdown in the consociational

democracy model. Because the party was not willing to compromise on their political positions, a key element in Lijphart's model, it was no longer possible to create the grand coalition governments that were the norm prior to 1967. This situation continued until the mid 1980's when the PvdA again revised their position after repeated electoral losses.²⁵

The final element in this political restructuring came in 1975. The combined effects of PvdA policy polarization and three consecutive declines in election results caused the three main religious parties, KVP, ARP, and CHU, to reevaluate their positions. This reevaluation led to the creation of the *Christen-democratisch appèl* (CDA) in 1975 which adopted the mantle of a populist center party in an attempt to broaden its electoral base.²⁶

The shift in PvdA policy did not signal a complete end to consociational democracy in the Netherlands, but rather a decline in its effectiveness. Prior to 1967, 87% of the governments formed in the Netherlands controlled significantly more votes than they needed to establish a majority. The virtual withdrawal of the PvdA from the coalition building process caused the percentage of dominant coalitions to drop to 29% between 1967 and 1988, with the larger coalitions coming at the end of the period after the PvdA returned to a policy of accommodation.²⁷ However, because the PvdA (which was not willing to negotiate) and the VVD (the third largest party and one that was willing to negotiate) were on opposite ends of the political spectrum, the moderate religious parties remained in the governing coalitions by allying with the VVD and splinter parties in the center and on the right.

As Lijphart argued in 1989, the shift was not from the politics accommodation to the politics of confrontation, but rather to the politics of relatively less accommodation.²⁸ However, a more recent study based on Lijphart's model using data from 1967 to 1994 indicates that while the Netherlands still practices consociational democracy, it does so only marginally, and that the Netherlands has actually gone from being the model consociational democracy in Europe to being merely average, as seen in Table A-5.

One final indication of the increased politicization in the Dutch political structure can be seen in the vote shares of the major parties. As Table 3-3 indicates, the volatility of Dutch elections increased significantly after 1967 when measured in terms of average change in vote share between elections. Though the CDA remained in the government through the 1989 elections, the relative party strengths within the coalitions varied significantly. In addition, the relatively greater change in average vote share for the religious parties indicates that deconfessionalization had a significant impact on the religious parties, which traditionally had the most stable voter base, an argument which is further supported by the gradual decline in total vote share, as seen in Table A-4.

Table 3-3 - Average Vote Share Change (in percent change, positive or negative)		
	1946-1963	1967-1994
Religious Parties	5.0	12.2
PvdA	9.88	12.9
VVD	18.2	20.6
D'66	-	50.2

Source: Derived from Table 2.1, "Results of Parliamentary Elections since the Second World War" in Middendorp.

In total, the data presented in this section indicates a lowering in the level of consociational politics coupled with increased volatility in the political structure. However, because of the shift in CDA policy which resulted in their assumption of the role of populist center party, government stability has been maintained through the CDA's ability to form minimal coalitions, at least through 1989. In addition, despite, or possibly because of the politicization of society, the general belief in the legitimacy of the government actually seems to have increased during this period. As seen in Table A-6, the Dutch electorate had an increasingly positive view of the government and their personal role in the government. As a result, while the Dutch are no longer totally passive to government activities, they remain willing to accept the decisions of the government, as evidenced by their acceptance of controversial decisions like the deployment of cruise missiles in 1985, cuts in disability benefits in 1991, and pro-choice legislation in 1992.²⁹

Section 3 - Politicization and EU Membership

Interestingly, while the politicization process encompassed all aspects of internal Dutch politics and extended to international issues such as the deployment of American cruise missiles in the 1980's, it did not significantly extend to Dutch-EU relations prior to the Maastricht debate discussed in Chapter Four. In fact, with the exception of causing the "Brussels as scapegoat" technique (discussed below) to become a useful stabilization tool to augment the weakened consociational democracy system, it had virtually no effect. A review of Dutch publications shows

no significant discussion of EU membership, either positive or negative. As Andeweg observed, EU membership was not an issue on the political agenda.³⁰

The fragmentation of Dutch politics coupled with its corporatist policy creation structure created the original basis for the "Brussels as scapegoat" concept mentioned in the previous chapters. The relatively corporatist nature of the Dutch policy creation system resulted in the establishment of policy boards composed of interest groups, government bureaucrats, and the relevant parliamentary committee.³¹ However, because the consociational democracy system required compromise at the elite level, cabinet members were often forced to modify policy goals after consulting with the cabinet, which functioned as a generalist coordination body. Unlike the Dutch government, the EU functions on a sectoral basis in the Council of Ministers. As a result, it was possible for Dutch ministers to pursue policy issues at the EU level where implementation would force the Dutch government to accept the new policy. In the words of a former Dutch Minister of Agriculture "in the Dutch cabinet I had to defend farmer's interests against other interests, but in Brussels I met only with other Ministers of Agriculture."³²

While the initial use of this concept worked against the government as a whole, the increased politicization in the Dutch coalition governments has created a more positive use for the concept. Because the open nature of the Dutch political system decreased the increasingly politicized government's ability to reach compromise decisions on controversial issues, the use of the "Brussels as scapegoat" concept has allowed the government to implement controversial policies

which they could not agree on. In some cases they have been able to pass legislation by arguing that the EU requires it, such as the social security cuts mentioned in Chapter One and the austerity budgets designed to allow the Netherlands to meet the convergence criteria of EMU as mentioned in Chapter Two. In other cases they have used the precedence to Community law granted by the Dutch constitution to avoid making any decision at all and letting the courts implement Community regulations, as in the case of the equal opportunity policy mentioned in Chapter One. This use of the scapegoat concept has allowed the government to overcome politicization and prevent deadlock on legislative issues.

Summary

This chapter has developed the Dutch political structure on two lines. First, it discussed the significance of the Second World War on Dutch foreign policy and traced these effects through the development of the Maastricht Treaty. It showed that the roots of the Atlanticist/supra-nationalist position of Dutch foreign policy lie in both the Dutch resistance movement and exile communities during the war. It also shows the Dutch pursuit of these concepts from the initial Dutch Parliament resolutions on European integration through the signing of Maastricht. In total, the chapter demonstrates a continuous movement along these policy lines until the gradual weakening of the Atlanticist position and the corresponding strengthening of the supra-nationalist position in the late 1980's.

Second, the chapter developed the internal political structure of the Netherlands with its consociational democracy model based on the pillarization structure established in Chapter One. Through an analysis of electoral results and other data, the chapter demonstrated that the shift in the Dutch social structure that occurred in the 1960's paralleled a similar shift in the political structure. As a result, the consociational democracy model weakened, though it did not disappear.

Finally, using information already presented, the chapter developed the "Brussels as scapegoat" concept. This concept, the examination of which showed both positive and negative effects, has become a stabilization tool for the Dutch government. The combined effects of EU secrecy in decision making and the preference given to EU law by the Dutch constitution have allowed the politicized Dutch government to either enact controversial legislation or have the courts do it for them.

The next chapter will examine the debates that occurred during the Maastricht Treaty ratification process in the Netherlands. Using the information presented in the first three chapters, the fourth chapter will consider the basis for the debates. It will then consider the significance of the debates to the Dutch position on European integration, utilizing both the factors developed in previous chapters and public opinion surveys conducted since the ratification of the Treaty in the Dutch Parliament.

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Chapter 4

Introduction

With the signing of the Maastricht Treaty on European Union in December 1991, the nations of Europe entered a new phase in the integration process. Because the Maastricht Treaty represented a change to the original Treaty of Rome, all of the member states had to ratify it. In the Netherlands, where Prime Minister Ruud Lubbers took much of the credit for pushing the treaty through and previous moves towards deepening the integration process had been accepted without comment by either political elites or the average citizen, there seemed little doubt that the Dutch Parliament would rapidly ratify the treaty. However, before the Prime Minister Lubbers even signed the treaty, the debate in the Netherlands had begun. By the time that the Dutch Parliament ratified the treaty in December of 1992, conflict had arisen in almost all of the Dutch political parties over the direction of EU integration as established in the Maastricht Treaty.¹

This chapter will examine the debate in Dutch society over the Maastricht Treaty and the impact it has had on Dutch policy. The first section will examine the debate itself, detailing both activities during the ratification process and events since the Dutch Parliament ratified the treaty. The treaty debate revealed a significant departure from the traditional position of blind acceptance of integration, though this departure was not necessarily the result of a growing negative attitude toward European integration.

The second section examines Dutch policy today. Both the coalition agreement and the *Troonreden*, Queen Beatrix's annual speech to the Dutch Parliament which is written by the Prime Minister, reveal in fact no official shift in the government's position. On the other hand, policy implementation, particularly regarding public finance, is showing itself not always in line with the requirements of the Maastricht Treaty.

The third section examines the debate from the perspective of the changes in Dutch society discussed in the previous chapters. As the first three chapters have shown, the Dutch social and political structures have undergone significant changes in the past twenty years. The debate over the Maastricht Treaty appears in many ways to be an extension of the politicization process discussed above.

Overall, the chapter seeks to show that the Dutch debate over the Maastricht Treaty appears to be as much a function of the increased level of political discussion and the traditional positions of Dutch policy as a weakening of Dutch support for European integration. While some public opinion surveys show shifts from full support of integration to a more neutral stance, others show improving or at least consistent attitudes. In either case, the Netherlands still tends to rank among the top three member states in support of further integration.

Section 1 - The Dutch Debate

"What should have been the finest hour of Europe, the year in which a 'Europe without borders' would be completed, became a horrible year."² With these words, the editors of Trouw, one of the major Dutch newspapers, began their 11 December 1992 summary of the European integration process. After twelve months of fierce debate throughout the Community, the Maastricht Treaty remained unratified following a close referendum in France, a referendum loss in Denmark, and a tabling of the issue in Great Britain until after the second Danish referendum scheduled for May 1993. Even in the Netherlands, where the CDA/PvdA coalition that had drafted the treaty remained in power and easy approval had been expected, the treaty remained unratified when Trouw went to press.

The first significant criticism of the integration process occurred in October 1991, when the VVD leader in the *Tweede Kamer* (the lower house of the Dutch Parliament), Frederick Bolkestein, charged that the government was "pursuing a ghost" in their attempts to achieve a federal Europe, and that "the ideal of a federal Europe is no longer realistic. We must strive for a confederated Europe with specific federal characteristics in economic areas." Bolkestein initially focused his criticism on the Community's plan for a Common Foreign and Security Policy (CFSP), arguing that the Gulf War had demonstrated that a CFSP was infeasible. With the signing of the Maastricht Treaty in December 1991, the final organization became apparent, and Bolkestein's public objections expanded to include the social security harmonization plans and the regional development funds. In the case of

social security, he argued that “[social security] is the flesh and blood of politics in all countries” and that it should therefore remain under government control. Regional development funds, designed to help the poor countries keep pace with the rich, received even harsher criticism. Bolkestein argued that the funds amounted to little more than a bribe to ensure ratification of the treaty by the poor nations and that the funds would in actuality lead to “assistance enslavement” that would not help the poor keep pace but rather lead to increased fraud. His views on integration eventually led to his announcement at a March 1992 press conference that “what is good for Europe is no longer automatically good for the Netherlands.” Frans Weisglas, the VVD’s specialist on European integration who had previously been an outspoken proponent of federalism also shifted to this position.³

Sympathy for Bolkestein’s position, especially on the regional development funds, came from both the private and public sector. Subsequent articles in Trouw and NRC Handelsblad, two of the largest Dutch newspapers, emphasized that the transfer of funds to southern Europe, which European Commission President Jaques Delors estimated at two billion ecu from the Dutch alone, would continue the pattern of throwing billions of ecu at the poor nations without many positive results.⁴ Within the government, Finance Minister Wim Kok (PvdA), one of the key architects of the Maastricht Treaty, was not totally supportive of the development funds. Publicly he based his wavering support on the lack of clear results from previous payments.⁵ However, Kok’s wavering support should also be considered in light of

the shortcomings of Dutch public finances relative to the Maastricht convergence criteria mentioned in Chapter Two. In order to transfer the two billion Ecu to the regional development funds, the government would have to divert money from internal programs that were already facing significant cuts to meet the Maastricht criteria. For Kok, with his long association with the labor movement and his leadership position in the PvdA, this had to have been a difficult choice. This issue will be discussed further in the section covering current events in the Netherlands.

However, support for Bolkestein was far from universal. Even within his own party, opposition to his views was significant. By the end of May 1992, the Dutch contingent to the European Parliament, led by its three VVD representatives (MEP's) who feared the development of a blocking force in Den Haag (the Dutch capital), had helped to push through a resolution for the unrestricted support of the move to a federal union.⁶ Gijs de Vries, the senior member of the VVD European Parliament delegation stated that ". . . our primary goal is a decentralized federal Europe," and F. Wijsenbeck, another member of the delegation, stated that "What he [Bolkestein] said was completely in conflict with our [the VVD's 1989 election] program." This arguing even escalated to name calling, with Wijsenbeck referring to Weisglas as "Bolkestein's Paladin" and receiving the tag "unguided projectile" in return. In the end, party chairman Dian van Leeuwen had to moderate, getting the two sides to agree to disagree and adopt a wait and see attitude towards the treaty.⁷

While the federalist debate raged in the VVD, the other major parties began a more subdued, though no less significant debate over the direction of the Community. In each party, factions formed to argue different aspects of the treaty. The general debate was effectively presented in an NRC Handelsblad editorial written by Max Kohnstamm on 13 May 1992:

"Europe's need for a common market is not for discussion, nor can the fact that the market has need of a level playing field based upon regulations that are established, guarded, and handled through Community institutions be questioned... In the current European debate, the question of sovereignty and the restriction of liberty stand central. It is nevertheless probable that the Maastricht Treaty will be ratified."⁸

Kohnstamm goes on to point out that although the Parliament would probably ratify the treaty the debate would not stop and that in the end the Dutch citizens would have to make the choice to accept restrictions on their liberty (in terms of decreased direct access to government institutions) imposed by the Community in return for security and freedom or else face a "return to hegemony and balance of power politics that almost destroyed Europe in the past."⁹

Unlike the VVD, the other major parties did not debate whether the treaty went too far, but rather whether it went far enough. In particular there was a general feeling of resentment against the British for "hijacking" the treaty. The deletion of federalist wording and the strengthening of intergovernmental procedures in the treaty, designed to gain British support, created a debate in the Netherlands over whether the treaty actually contributed to European integration.¹⁰

Within the CDA, Prime Minister Lubbers emphasized that while the final version of the treaty still retained significant intergovernmental elements, the

ultimate goal still remained a federal EU. He presented it as another step in the path to European integration, forming the closing piece for the internal market and creating the opportunity for a single currency that would compete with the dollar. Despite Lubbers' positive position, the party membership maintained that while the strengthening of the European Parliament was an improvement, the democratic character of the Community remained "absolutely inadequate." The party membership also opposed the inclusion of CFSP and home rule in the intergovernmental pillars of the Maastricht Treaty. In the end, however, they agreed that the advantages of the treaty outweighed its disadvantages, and that as a step in the integration process it was acceptable.¹¹

Debates within the PvdA closely mirrored those in the CDA. While Wim Kok openly discussed his wavering support for the regional development funds, the bulk of the party focused on the dominance of economic issues in the treaty and the lack of sufficient levels of democratic control. Because the Dutch constitution gave precedence to Community law, the PvdA membership continued to voice doubt about the ability of the European Parliament, the only directly elected body in the EU, to adequately safeguard individual rights. At the same time, they worried that the continued emphasis on the economic aspects of the Community would have detrimental effects on other issues, particularly social policy, the environment, culture, and education. However, in the end the PvdA, like the CDA, supported the treaty as a "new step in the process to a higher union of the people of Europe."¹²

Unlike the PvdA and CDA, in the D'66 the debate over democratic control went beyond a call by the membership for more power for the European Parliament. In keeping with their first party platform, as mentioned in Chapter Three, the D'66 called for a breakup of "the secret ring of politicians, public bureaucrats, and party specialists" that controlled European policy. While the D'66, like the other parties, believed that the treaty was a good as it could be at the moment, they pushed for increased surveillance of the Dutch government by the Dutch Parliament,¹³ an issue which will be discussed further below.

Solid opposition to the treaty was only present in the parties on the extreme left and right. The left, consolidated in the Groen-Links Partij since 1989, actively opposed the treaty as a setback to democratic control at both the European and the national level. The right, consisting of three orthodox religious parties and ultra-right *Centrum Democraten* (CD), continued to oppose any attempts at European integration as an affront to national pride.¹⁴

The broad critical debate over the institutions and decision making of the Community which occurred in the political parties was mirrored by a similar debate among the general population. The politicization process that began in the Netherlands in the 1960's finally seemed to catch up with the European integration process. The feeling grew, as evidenced by various poll results, that European integration should no longer be the private domain of political specialists but should instead be a topic of public discussion.¹⁵

Interestingly, one of the major topics of criticism was equal rights. Although Dutch women have made significant gains Community equal rights legislation, the possible negative effects of EMU on women became a major topic of discussion in the Netherlands. In a published interview, a member of the EU's Economic and Social Committee, Mr. B. Pompen, announced that "for those who are dependant on the government, EMU will have more disadvantages than advantages. Those are, in general, more women than men. The EMU is not woman friendly." This comment led Maria van Veen, chairperson of the Dutch woman's organization FNV, to call for careful monitoring of the process based on her argument that "women must not be the losers in economic integration." The FNV strongly believed that the budget cuts made necessary by the EMU convergence criteria would have a disproportionately negative effect on women, both because women comprised the largest proportion of social security benefits and because of the disproportionately large number of women employed in the public sector.¹⁶

The interview and subsequent announcement by the FNV also created cross-party solidarity among women in the Dutch Parliament. R. Oomen-Ruijten (CDA) and M. van Putten (PvdA) released a joint statement highlighting their belief that the EMU would have negative effects on social policy and thus on women. Oomen-Ruijten stated that "countries obligated to EMU, including the Netherlands, would have to draw in the reins of public finance. The chance is great that especially in the area of social policy, benefits will be reduced." This situation also created another point of opposition for Groen-Links, whose party specialist on

women's issues stated that "We say no to a weak social and ecological Europe." The most aggressive attack based on this issue came from a member of the government coalition, M. Quint (PvdA), who labeled the transfer of the Dutch Parliament's sovereign power to the EU by Dutch politicians as hypocritical. She argued "how do we keep face while we know that we have already yielded so much power?"¹⁷

Even large industrial concerns, traditionally among the strongest supporters of the integration process, had reservations about the treaty. In 1984, Wisse Dekker, then chairman of the Dutch electronics giant Philips, began the public campaign by major industrialists for European integration that played a key role in the development of the Single European Act.¹⁸ Eight years later, his successor, J. D. Timmor, continued the push, arguing that markets remained too nationalistic and fragmented, a situation that could only be remedied with the completion of the single market and the establishment of an EMU.¹⁹ However, despite the strong support for economic integration, there was little support for the political aspects of the treaty. A conference of Dutch industrialists held in September 1992 released a statement arguing that EMU should be the Community's primary focus. Aarmunt Loudon, chairman of Akzo, went so far as to caution politicians against marching ahead of the people, arguing that European Political Union (EPU), the second half of the Maastricht Treaty, was not yet feasible.²⁰

Table 4-1 - Overnight Dutch Poll Results Following Danish Referendum Rejection (in percent of those surveyed)			
Poll/Position	For Treaty	Against Treaty	For Referendum
NRC Handelsblad	49.5	18.5	58.0
Dutch TV	57.0	n.a.	51.0

Source: "Polls Suggest Dutch are wavering on Maastricht," The Reuters Library Report (4 June 1992).

The rejection by Danish voters of the Maastricht Treaty in their referendum held in early June aggravated the debate in the Netherlands. As seen in Table 4-1 above, overnight polls by Dutch newspapers and television stations showed that over 50% of the people polled supported a Dutch referendum, despite the fact that the Dutch constitution has no provisions for one. The NRC Handelsblad poll even indicated that active support for the treaty had dropped below 50%, with 39% of those polled neutral to the issue.²¹

Reaction from both proponents and opponents of the treaty was swift. Within hours of the Danish vote, Hans van den Broek, the Dutch Foreign Minister, announced that the government would push for rapid ratification of the treaty.²² At almost the same time, Ina Brouwer(Groen-Link/Tweede Kamer member) called for the Tweede Kamer to table consideration of the treaty least until such time as the Danes held a second referendum and ratified the treaty.²³ While majority support for ratification prevented Brouwer's proposal from being passed, it did not allow for the quick ratification of the treaty that the government desired. The treaty did not

receive a first reading in the Dutch Parliament until 4 September 1992 and did not complete the process until 15 December 1992.

Foreign Minister van den Broek's quick announcement also did not guarantee a united front from the government. Within hours of van den Broek's announcement, J. P. Pronk (PvdA), the Minister of Development, stated in a radio interview that he found the Danish vote to be "very interesting." He went on to say that it showed "that the Danes alone have thought about Europe," and that they had done a great service to the people of Europe and democracy in the sense that they clearly showed the cleft between politicians and voters. The PvdA specialist on European issue, J. Lonink, echoed this position in a newspaper interview in which he said that the Danish vote showed "how dangerous it is for politicians to make decisions without the voters standing behind them."²⁴

Having lost in her attempt to table the ratification of the treaty, Brouwer used the poll results showing majority support for a referendum as the basis for her 10 June 1992 proposal to hold a "consultative" referendum that would be binding only if it was "decisive." This proposal received support only from the right wing parties and the D'66, whose long commitment to increased voter involvement made support almost mandatory. However, despite the official support of D'66 for the referendum movement, members of the party worked actively against it. D. Eisma, a senior member of the D'66 faction, argued that what was really necessary was a "broad social discussion" based on government led meetings. Foreign Minister van den Broek and State Secretary Piet Dankert (CDA), a former President of the European

Parliament, agreed with Eisma, stating that too much of the treaty had been drafted by specialists and that they needed to explain it to the people. Lonink, the PvdA's European specialist, also expressed his party's support for the proposal.²⁵ As a result of this cross party support, the government defeated Brouwer's call for a referendum, instituting instead a public awareness campaign designed to foster support for the treaty. In the following months, government ministers held numerous public meetings throughout the country to discuss the treaty, and Prime Minister Lubbers constantly mentioned it in public venues, focusing on the growth value of a common currency, the benefits of a common environmental policy, and the advantages of the subsidiarity principle, which he claimed credit for.²⁶ Based on Eurobarometer reports, this active campaigning, which lasted through the ratification of the treaty by the

Eerste Kamer (upper house of the Dutch Parliament) on 15 December 1992, had a positive, though not permanent, effect on voter attitudes toward the treaty as shown in Table 4-2. The Eurobarometer surveys also indicate that in the first two polls, the Dutch had the highest positive vote in the EU, and in the third vote they were second only to Ireland.

Table 4-2 - Dutch Voter Position on the Maastricht Treaty
(in percent of Dutch/EU12 average)

Position/ Date	June 1992	December 1992	June 1993
For	46/31	62/44	58/41
Unknown	37/49	20/30	28/35
Against	17/20	18/27	14/24

Source: Eurobarometer #38 Table 21 and Eurobarometer #39 Table 18.

Although the government's publicity campaign had a positive effect on the attitudes of Dutch citizens, the clarification of the treaty's finer points did not calm the Dutch Parliament's concern about the perceived democratic deficit at the European level. This concern led the Parliament to begin an active campaign to increase democratic oversight of EU operations by eliminating the secrecy of the European decision making process and thereby eliminating the "Brussels as scapegoat" option discussed in Chapter Three. The campaign began on 7 June 1992 when Hirsch Ballin (CDA), the Minister of Justice, failed to appear before the Tweede Kamer to answer questions on EU discussions on a common asylum policy. Concerned that the government would support a common EU policy that would restrict the liberal Dutch asylum policy, Marteen van Traa (PvdA), Chairman of the Tweede Kamer's Foreign Affairs Committee, introduced a motion requiring the government to receive parliamentary approval before committing to an EU asylum policy. This motion, along with a similar motion introduced a week later by the D'66 to prevent the government from negotiating at the EU level on the European Drug Center, received immediate support from almost the entire Tweede Kamer.²⁷

On 4 September 1992, the first day of parliamentary operations following the summer recess, the Dutch government presented the Maastricht Treaty for its first reading in the Tweede Kamer.²⁸ In the weeks that followed, the Tweede Kamer focused most of its attention on the treaty, particularly on the question of democratic oversight. In early October, a group of parliamentarians representing all of the

major parties introduced a ratification motion that accepted the treaty but required that on issues such as EMU that the Tweede Kamer considered important the government consult with the Tweede Kamer prior to negotiating at the European level. Prime Minister Lubbers accepted the motion, going on to emphasize the "very important role" that national parliaments would play in the future.²⁹ This move for increased control by the national parliament went directly against the intention of the Maastricht Treaty. However, because the move, at least among the major parties, was based upon their concerns about the continued dominance of intergovernmental bodies, like the European Council, over the supranational bodies, specifically the European Parliament, it should be seen as a continuation of the Dutch policy of supra nationalism rather than a significant departure from the path toward integration.

On 14 November 1992, after three months of debate, the Tweede Kamer ratified the treaty by a margin of 137-13. The vote occurred strictly along party lines with only Groen-Links and the far right parties voting against it. In the VVD, desire to complete the EMU overcame their objections to the social and political aspects of the treaty, resulting in their support for the treaty.³⁰ After another month of discussion, in which the CDA's Eerste Kamer spokesman stated that the political will for a united Europe seemed to have been "eroded enormously" and the PvdA reiterated its call for more democratic control at the European level, the Eerste Kamer ratified the treaty on 15 December 1992, once again voting strictly along party lines.³¹

However, as Max Kohnstamm's May 1992 editorial had predicted, the debate did not end with ratification. Discussions over the major aspects of the treaty continued within the parties, the government, and society as a whole in the years that followed.³² The debate over secrecy in the EU decision making-process has been particularly fierce. In November 1993, the Tweede Kamer issued another directive similar to the two mentioned above. In the new directive, the Tweede Kamer told Prime Minister Lubbers that he had to make clear to European leaders that the Netherlands would not participate in secret negotiations on issues concerning international justice issues or immigration policy. The directive, sponsored by all of the major parties, also received support from Justice Minister Ballin (CDA) and Interior Minister Dales (CDA), the two cabinet members directly involved with the negotiations. Only State Secretary Dankert (CDA), an outspoken proponent of complete integration since his term as President of the European Parliament, opposed the restriction.³³

This move for increased parliamentary control, like the previous one, reflected the concern among Dutch politicians over the democratic shortcomings of the EU rather than opposition to integration or the specific issues involved. Van Traa (PvdA) reiterated his position that the problem was the lack of a voice for the European Parliament. The spokesman for van Traa's committee, Jaap de Hoop Scheffer (CDA), stated that "if I look at what they [the Council of Ministers] want to do to asylum seekers, I don't have many problems. Many of the things are desirable. But the burden of parliamentary accountability/responsibility weighs

heavily.³⁴ More recently, this concern for eliminating secrecy to ensure democratic oversight can be seen in the Dutch support for John Carvel's lawsuit against the Council of Ministers in the European Court of Justice (ECJ). Having consistently pushed for more openness in EU decision making since the Maastricht ratification debates, the Dutch government applauded the recent ECJ ruling lifting the Council of Minister's "blanket ban" on releasing decision-making documents.³⁵

While the debate in political circles focused on the democratic shortfall at the Community level, the public debate tended to focus on economic fears throughout the period. On one side, large businesses and economists supported EMU for two reasons. First, the economic advantages of a single currency and an open market provide direct benefits to everyone inside the EMU. Second, as a European round table of industrialists recently pointed out, the increasing globalization of the world's economy decreases the ability of national leaders to influence internal policy. The round table, which included the presidents of Philips, Dutch Shell, and Unilever, argued that only by creating the EMU, with its significantly larger economic weight, could European leaders remain influential in setting internal policy.³⁶

On the other side, individuals and smaller businesses became increasingly concerned for three reason. First, despite the push for a single integrated market that began with the Single European Act in 1986 and was supposed to have been completed with the Maastricht Treaty, the actual implementation of the market was far from complete. With prices remaining at high levels and exports still restricted by complex rules in various countries, the consumer and small producer asked "how

do I survive the New Europe?"³⁷ This declining enthusiasm can also be seen in Table A-7. Second, the monetary instability which plagued the European Monetary System (EMS) in the post-Maastricht period coupled with the continuing debt problems throughout the Community frightened many Dutch citizens. As the beginning of Phase III of EMU approached (fixed exchange rates/single currency), the Dutch, much like their neighbors in Germany, began to voice concern that the creation of a single currency could mean giving up their hard currency for a much softer currency.³⁸ Third, despite the relatively small effects of EU membership on Dutch social policy identified in Chapter One, the feeling persisted that social policy, particularly social security benefits, should remain under the control of national governments.³⁹ These combined factors led Ruud Lubbers to comment in an interview after his government lost the 1994 elections that he felt enthusiasm for Europe was diminishing in the Netherlands.⁴⁰

This section has examined the growing Dutch debate over the European integration process. While the pitch of the debate has been relatively low compared to most other EU countries, the fact that there was any debate at all was a departure from traditional Dutch behavior, and particularly surprising in light of the wholehearted effort that the Dutch government had made for complete integration with their first draft treaty proposal, as mentioned in Chapter Three. The next section will examine current Dutch policy in light of the ongoing debate over European integration.

Section 2 - Current Policy

With the landslide election defeat of the governing CDA/PvdA coalition in 1994, the Netherlands created its first coalition government without a Christian party since 1918. Wim Kok (PvdA), the Finance Minister in the previous coalition, formed a left-right coalition of the PvdA, the D'66, and the VVD. This mixture of the opposite sides of the political spectrum created a coalition agreement designed to meet the EMU convergence criteria through severe cuts in public spending, including reductions in public health care spending, new limitations on access to the generous public welfare system, and a curb on social security payments.⁴¹ This policy position was also reflected in the *Troonreden* of 1994 and 1995. These speeches, given by the Queen at the opening of Parliament each year in September, are written by the Prime Minister and serve a similar function to Queen Elizabeth's annual addresses in the United Kingdom. In 1994, shortly after the creation of the Kok government, the Queen said that "further expansion of the European Union goes hand in hand with institutional reform. Strengthening of parliamentary democracy is an important element of that."⁴² The 1995 speech reemphasized this point and added that it was "more than ever necessary to work together on unemployment, environmental contamination, international crime, and a common policy on immigration."⁴³

Within the party structures, policy positions, both in election platforms and the coalition agreement, generally reflected the arguments which the parties had adopted during the ratification debate. In the PvdA, concern over the democratic

deficit at the European level remained a central party position. By 1995, the party even blamed the failure of the EU's Yugoslavia policy on the intergovernmental character of the EU decision-making system. Additionally, the party moved to support widening of the EU to include the Visegrad states, a policy based on their traditional belief that expansions of the internal market benefit all EU members and a new idea that the EU needed to develop a "European identity," something they believed could only be done if the EU included all "European" states.⁴⁴ Finally, the official internal policy of the party supported the austerity measures in the coalition agreement, although their actual actions may run counter to it, as will be discussed below.

In the VVD, the second largest of the coalition partners, Dian van Leeuwen's wait and see approach to European integration in areas other than the economy remained in place. While adopting a position favoring strengthened majority voting in the Council of Ministers and a stronger European Parliament ("The European Parliament must have the last word."), the party also stated that the EU must not want too much, referring specifically to the fields of security policy, education, health, and social security, which they argued were better controlled at the state level. In economic policy, the party's strong support for EMU and free markets was the driving force behind the coalitions austerity budget and the related changes in social policy. The VVD's demands for reductions in welfare benefits and the tightening of immigration laws, both of which became part of the coalition agreement, were opposed by both the PvdA and the D'66. While the party's

position on deepening remained flexible, its position on widening was clear. Despite possible economic benefits of expanding the market to the Visegrad states, the VVD strongly opposed expansion into Central Europe, arguing that the economies there were far too weak to integrate into the EU without hurting the EU market and slowing the complete implementation of the single market.⁴⁵

In the coalition's smallest member, the D'66, the European focus remained on increasing the power of the supra-national portions of the EU structure and eliminating secrecy in the EU decision-making process. In internal policy, they supported the coalition's austerity budget, but argued that the savings in social welfare policies should come from reductions in the number of people receiving support rather than reductions in benefit levels.⁴⁶ Interestingly, despite the inclusion of austerity measures and reductions in benefit levels in the coalition agreement based on VVD demands, G.J. Wijers (D'66), became the Economics Minister. The effects of this selection will be discussed further below in terms of actual implementation of policy.

Finally, the CDA, in the opposition for the first time in 75 years, actually seems to have increased their push for European integration. While Ruud Lubbers questioned Dutch support for further integration, the CDA proclaimed that integration was "striding for order in a time of nationalism" and that the Netherlands must "stand before all others in loyalty to EPU, EMU, and federalism." The party began to advocate a closer working relationship between the Dutch Parliament and the European Parliament as a short-term fix for the democratic deficit problem while

continuing to call for stronger supra national bodies in the EU. The CDA also adopted the PvdA's view on expansion, though cautioning against widening at the expense of deepening. Finally, to circumvent the growing public fear of decreased social spending mentioned in the previous section, the CDA adopted the position that the EU should set minimum standards but that national governments were free to raise those standards, a view which closely paralleled a 1993 Eurobarometer finding which showed 76% of the Dutch supporting a similar position.⁴⁷

However, although all of the parties support continued integration in one form or another, the actual implementation of policy has been slow. As mentioned in Chapter Three, the government has often used the courts to implement European policy which they could not or did not want to ratify. This practice has continued in the Kok government, with the court implementing immigration policy among other things.⁴⁸

In the case of EMU, recent government activities may actually prevent further integration. Many organizations and individuals, particularly Wim Duisenberg, President of the Dutch Central Bank, charge that the government's fiscal policy will prevent it from meeting the EMU's convergence criteria for total public debt. The Kok government's unwillingness to cut unemployment and social security benefits, issues that were part of the coalition agreement, have resulted in annual government deficits remaining above the 3% of GDP target specified for EMU. Although GDP growth has actually been at 3%, above its forecasted level of 2%, the inability of the government to bring the deficit below the 3% level has caused

the total debt to actually increase to over 81% of GDP in 1995, well over the 60% level specified for EMU in the Maastricht Treaty. Although the Dutch government still believes it can reduce the deficit to slightly below the 3% threshold after 1995, its critics argue that without significant welfare and social security cuts, the government will be unable to reach the 1%-1.25% level that economists indicate is necessary to meet all of the convergence criteria by 2000.⁴⁹ Given these activities, it is interesting to note that the coalition's biggest proponent of EMU and cutting social benefits, the VVD, ended the coalition formation process with only one significant cabinet position in economic and social fields, the Ministry of Finance. The PvdA, whose membership base opposed social cuts, ended up controlling all of the Ministries controlling social policy except Health and Internal Affairs, which were controlled by the D'66, which desired job creation rather than benefit cuts. Additionally with the PvdA holding the Prime Minister's office and D'66 controlling the Minister of Economic Affairs, the party has been in a position to guide government fiscal policy over any objections by the VVD. As of yet, the VVD has not pushed the issue by threatening to resign from the coalition, which would cause the government to fall. However, if the VVD were to adopt Duisenberg's position the internal political situation would rapidly change. He recently proclaimed "Honor demands that the Netherlands should qualify [for EMU]."⁵⁰

This section has shown that the current official Dutch policy is very similar to the positions adopted by the parties during the Maastricht debate. However actual activities have not been totally in keeping with the official policy of the

government. This has been particularly true in the area of economics, where Dutch fiscal policies, and particularly the governments unwillingness to accept sufficient social cuts to bring down the budget deficit, may actually inhibit, if not actually prohibit, a Dutch move to phase III of EMU. The following section will discuss the Dutch debate and current policy in terms of the historical and cost/benefit analysis in the first three chapters.

Section 3 - The Debate in Perspective

The debate over the Maastricht Treaty, both by the political elites and the public, was certainly a change from the traditional acceptance of European integration measures. Even as late as June 1992, a Reuters correspondent observed that the "[Maastricht Treaty] has stirred hardly any public interest in the Netherlands."⁵¹ However, although the debate has been a departure from the traditional pattern of acceptance, when considered from the perspective of the Dutch government's primary goals in the European integration process and the internal political changes which have occurred since the 1960's, the debate is not surprising. This section will address the debate phenomenon based on two arguments. First, given the changes which have occurred in the Dutch social and political structures since the 1960's, it is not surprising that the Dutch have begun to debate the European integration process. Second, the debate is also not surprising given the traditional policy positions of the Dutch government, the two

factors identified in Chapter One as their primary goals in European integration, and the benefits which the Dutch have accrued from EU membership.

During the past twenty-five years, ideologicization and politicization have been primary factors in the depillarization, or at least the deconfessionalization, of Dutch society. This process has also led to significant shifts in the Dutch political climate, both in terms of voting behavior and political activism. The average Dutch citizen began to consider issues rather than pillarization factors when making decisions at the ballot box, leading to increased swings in each parties' election-to-election results. The growing importance of issues also led to increased discussion of issues and increased involvement in political activities. At the same time, increased politicization of the electorate led to a weakening of the consociational democracy system, as political parties moved to differentiate their positions to gain voter support, as seen both from the PvdA's refusal to enter coalitions with the CDA and from the CDA's refusal to become a minority coalition partner in the current Kok government.⁵² Given this representation of the increased level of political discussion and the attempts at differentiation by the parties, the debates over European integration seem like a natural part of the Dutch political process. Thus, the real surprise seems to be that the debates over European integration did not begin sooner, an issue which may be related to the original reasons for Dutch membership and the proven benefits of EU membership discussed below.⁵³

Historical development and cost-benefit analysis support the argument that the debate is not surprising when considered in light of the Dutch government's

traditional policy positions, the factors behind Dutch involvement, and accrued benefits to the Netherlands. The long tradition of Dutch capitalism (and the related belief in liberal trade policies) has been one of two primary reasons for Dutch involvement in the European integration process. Cost-benefit analysis of specific economic issues shows both consistent Dutch support for integration and consistent gains from it.⁵⁴

Social issues, particularly in the areas of social welfare (welfare and social security benefits) and immigration policy, have also been significant areas of concern for the Dutch. Cost-benefit analysis shows that the Dutch have experienced gains in these areas, but that a perception of possible future disadvantages still exists. This is especially true in terms of benefit levels, which have fallen both because of internal budget concerns and Community policies.⁵⁵

Finally, the combination of Dutch war experiences and the resulting desire for international organizations that maintain stability is the second primary reason for Dutch involvement in the integration process. Further examination of this point shows an early evolution of Dutch policy to support supra-nationalism as a means of ensuring stability while minimizing the possibility of domination by major powers, coupled with an Atlanticist policy designed to increase protection from hegemony. Supra-nationalism also allowed the use of the "Brussels as scapegoat" technique, in which the Dutch government has used the secrecy of the EU decision-making process to push through internal changes.⁵⁶

Given the retreat of the final version of the Maastricht Treaty from the first Dutch draft's strongly supra-national and federalist position, the issues mentioned above explain the development of the political debate within the party structures, the government, and the Parliament. While the treaty as a whole was an improvement over the pre-1992 situation, the significant intergovernmental characteristics of the treaty conflicted with the supra-nationalist position that the Dutch political elite had held since the end of the Second World War. This conflict was clearly evident in the continuous demands by all parties for increased democratic oversight of the EU decision making process, whether it was through increased power for the supra-governmental institutions of the Community or through decreased secrecy in the decision-making process. Even Bolkestein's early objections to Dutch pursuit of federalism can be seen as irritation with the unwillingness of other states to pursue complete integration. Thus, open debate made possible by politicization and subsequent moves by political parties for differentiation was encouraged by the failure of the Maastricht Treaty to meet the goals of Dutch policy. The compliance of the direction of integration prior to Maastricht also offers the best answer to why debate over integration did not begin at the same time as other political issues, but rather waited until the introduction of the Maastricht Treaty.

The debate within the general population can also be seen as a continuation of traditional Dutch attitudes. Fears for the traditionally generous Dutch social welfare system provide the basis for much of the debate over integration, both due

to harmonization, immigration, and budget cuts caused by EMU requirements. The other major basis for debate among the general population is the fear of giving up the strong Dutch guilder for a softer currency. Like the debate on the weakening of the welfare system, the roots of this part of the debate can also be found in traditional Dutch attitudes, specifically in their strong capitalist tradition.

Summary

The examination of the Dutch debate over the Maastricht Treaty and European integration presented in this Chapter has developed two key points. First, the explanation of the actual discussions which occurred just before and after the signing of the Maastricht Treaty shows that although the debate, particularly in the Dutch Parliament, may have delayed the ratification process, the primary argument wasn't anti-integration but rather anti-intergovernmentalism. Therefore, while the debate over integration was a new phenomenon, it did not represent a new position in the Netherlands but rather the continuation of a common thread of Dutch policy since the 1950's, as illustrated in Chapter Three.

Second, the chapter demonstrates that the changes in the political system described in previous chapters played a key role in the development of the debate over the Maastricht Treaty. While debate over integration was a new phenomenon, debate within Dutch society over political issues has been growing for over twenty years. The real question then was why the debate had just begun with the Maastricht Treaty. The answer seems to be that up to this point there was

generally a high level of satisfaction with the direction of integration and so there was no need for debate.

The conclusion will consider the Kok government's current policy and its significance relative to Dutch support for continued integration. It will also consider the factors identified in the first four chapters of the thesis to present some possibilities for future Dutch policy.

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53. For a complete discussion of these issues, see Chapter One, Sections 2-4 and Chapter Three, Section 2.
54. See Chapter One, Section 1 for the role of Dutch capitalism and Chapter Two, Sections 2-4 for cost-benefit analysis.
55. For an introduction to Dutch social concerns and a cost benefit analysis, see Chapter One, Section 5.
56. See Chapter One, Section 1 and Chapter Three, Section 1 for the evolution of Dutch security policy and Chapter Three, Section 3 for an explanation of the "Brussels as scapegoat" technique.

Conclusion

This thesis has presented a broad analysis of Dutch social, economic, and political conditions in an attempt to provide information to answer the two questions posed in the introduction. First, why have both the Dutch government and people remained among the staunchest supporters of the European integration process? Second, is Dutch support for the integration process likely to change in the future, and if so, how? The first section of this conclusion will summarize the information presented in the thesis, highlighting the answers developed for the first question and emphasizing the continued importance of those answers today. In addition, it will review the information and evaluation presented regarding the current Dutch debate on integration. In the second section, I will provide my estimation, based on the information presented in the thesis, of the likely future direction of Dutch policy in the field of European integration.

Summary

This thesis has presented two primary reasons for the Dutch push for European integration. First, their long tradition of capitalism coupled with negative experiences with protectionism have led to a strong preference for liberal trade policies. An examination of Dutch history showed the development of this preference from its roots in Dutch religion and geography in the Middle Ages through its full realization following the Second World War. An analysis of the costs

and benefits in specific economic areas demonstrated that the Netherlands remains a net economic beneficiary of European integration. As a result, the pro-capitalism preference of the Netherlands remains a primary reason for the continued Dutch push for deepening in the EU.

The second reason presented for Dutch support of the integration process was that Dutch war experiences, particularly those of the Second World War, created an intense desire for peace and stability, especially in regards to Germany. This desire provided the basis for the Dutch Atlanticist position, designed to assure European security, and the Dutch preference for supra-nationalism, designed to protect Dutch interests from domination by larger European countries. While the fear of a resurgent German military has receded in the past fifty years, the fear of domination remains. This fear has now extended to intergovernmental structures of the EU itself, prompting calls for decreased secrecy in EU decision-making and increased power for supra-governmental bodies such as the European Parliament. In addition, although the Soviet Union has collapsed, instability in Eastern Europe, particularly in the former Yugoslavia, continues to raise security concerns in the Netherlands. Thus, as was the case with the first reason for integration presented above, the preference for peace and stability remains a primary reason for continued Dutch support for integration.

The thesis also presented the evolving Dutch social and political structures which have contributed to changes in Dutch society. Examination of the pillarization concept showed that it had a stabilizing effect on the fragmented Dutch

political structure, which Lijphart used as the basis for his consociational democracy model. By the 1960's however, the processes of ideologization and politicization were undermining Dutch political stability by causing the depillarization, or at least the deconfessionalization, of Dutch society. By the early 1970's, the breakdown of the pillarization structure led to a significant increase of volatility in voting patterns, a move by the political parties for differentiation, and a related decline in the influence of Lijphart's consociational democracy model. These changes provided the basis for an analysis of the significance of the Dutch integration debate which began in 1991, and led to the conclusion that the debate was as much a function of the politicization of Dutch society as it was an actual decline in Dutch support for integration. The changes, coupled with the cost/benefit analysis presented in the first three chapters, will also provide the basis for my analysis of the future of Dutch policy presented below.

Does the Lion Grow Weary?

In the introduction, I presented three possible scenarios for the future of Dutch integration policy. First, the Dutch could continue along the path of strong advocacy of European integration that they appeared to pursue with the First Dutch Draft of the Maastricht Treaty, in which deepening to a federal position is the primary focus. Second, they could begin to rein in their rampant supra-nationalism and move to a more moderate position, possibly even supporting widening over deepening. Finally, given sufficient public backlash, it is possible that they would

revert to a position similar to that of the British, where widening is the primary focus and further deepening is not particularly desirable.

Based on the information presented in this thesis, I believe that the most likely course of action for Dutch policy-makers is one that blends the first and second scenarios listed above. The Dutch government will retain its supranationalist position as a long term goal, but will maintain a more moderate short term position. This policy will remain in effect at least as long as a PvdA remains a coalition partner. I base this position on three factors.

First, and possibly most important, the politicization of Dutch society which began in the 1960's, and the related attempts by political parties to differentiate themselves along policy lines in order to gain a larger share of the increasingly volatile electorate, has created a situation in which voter opinion, at least indirectly, influences government policy. The Kok government's current fiscal policy is a prime example of this. Despite official commitment to integration, both in party platforms and the coalition agreement, the government has not implemented sufficient budget reductions to meet the EMU convergence criteria. The government's failure to make further cuts, coming at that same time that the membership of both the PvdA and the D'66 remain opposed to cuts in social benefits and immediately following an election in which two new senior citizen's parties (single interest parties dedicated to maintaining pension benefits) gained seven seats in the Tweede Kamer at the expense of the former CDA/PvdA coalition, indicates that the political elites are currently unwilling to accept a possible loss of political power for the

benefit of European integration. However, since the government's fiscal policy apparently will remain just within the requirements of the EMU's deficit criteria beginning this year, this failure to cut the budget further represents a delay in the integration process rather than an actual stop, thus supporting my position that only the short term policy will shift to a more moderate position.

The growing importance of public opinion mentioned above creates the second factor in my analysis. Public opinion, as indicated by Eurobarometer statistics, has shown a shift away from support of integration measures to a more neutral position in some areas, particularly in regard to the single market and a common currency. However, at the same time that public opinion polls showed declining support in some areas, other areas, like the European Central Bank (ECB), EPU, and CFSP, actually showed increasing levels of support. The explanation for this dichotomy seems to lie in two factors. First, slow implementation of the single market, and thus slow realization of its benefits, have frustrated the average citizen and small business owners. Second, significant instability within the EMS following the signing of the Maastricht Treaty created fear within the Dutch population for the stability of their own currency. At the same time, support for integration in general remains strong. Given the simultaneous increase in support for the ECB and decrease in support for a single currency, it seems likely that successful implementation of the ECB, which would create currency stability and thereby eliminate Dutch currency fears, will cause an increase in public support for the single currency. The single currency, coupled with continued efforts to

eliminate regulatory barriers, will also speed the realization of the benefits of the single market, which should reverse the trend toward neutrality in regards to the single market. Since public opinion has begun to influence government policy, the attitude above will lead, once again, to a long term supra-national position while the short term position is more moderate.

While the indirect effect of public opinion is important, it could have an even greater direct effect in the next election. If public opinion shifts as predicted above, both the CDA and the VVD are likely to increase their shares of the vote in the next election, which would probably lead to the creation of a center-right CDA\WVD coalition that, depending on the size of the shift, could also include the D'66. Given that supporters of the CDA and the VVD are either vehement supporters of budget reductions or willing to accept them, this coalition change would remove the barriers to fiscal cuts. However, this shift could also occur even without changes to the vote shares of the major parties. Given the current power distribution, the Dutch could form a center-right coalition of the D'66, the CDA, and the VVD, an alignment which was actually discussed following the last election until the CDA backed out. This coalition would create a coalition agreement similar to the current one, but with the CDA as the linking party rather than the D'66. This would shift the balance of power within the coalition, allowing the government to implement necessary austerity measures.

Third, and finally, it seems unlikely that the Dutch government, and particularly the Dutch Parliament, will allow continued transfer of authority to the

Community until the EU resolves the perceived democratic deficit. Both the repeated attempts by the Tweede Kamer to eliminate secrecy in the EU decision-making process and the numerous calls to increase the power of the European Parliament support this point. If the 1996 Intergovernmental Conference (IGC) to review the Maastricht Treaty eliminates the democratic deficit, the Dutch Parliament will be ready to follow when the Dutch government, supported by public opinion, moves from moderation back to supra-nationalism. However, if the 1996 IGC does not eliminate the democratic deficit, the Dutch Parliament will continue protracted debates over integration issues, which will force the government as a whole to maintain the moderate position.

To sum up, the Dutch government is likely to pursue a mixed policy of long term supra-nationalism and short term moderation. This position is a result of public concern for the social structures which have led the current government to avoid the large cuts to welfare and social security problems required to meet the EMU convergence criteria, and concerns in the Dutch Parliament for the democratic deficit at the European level. Should the 1996 IGC resolve the democratic deficit problem and the Dutch coalition shift from left-right to center-right, it is possible that the Dutch policy on European integration will return to its strong push for deepening.

Appendix A - Tables

Table A-1 - Home Nursing Membership by Denomination (in Percent of total membership)				
Year/denom.	Non-Denominational	Catholic	Protestant	Total (in thousands)
1942	66.0	33.0	n.a	n.a
1947	65.4	34.5	n.a	n.a
1951	55.5	29.7	14.7	1,694
1958	56.8	30.7	12.4	2,122
1963	56.4	31.4	12.0	2,393
1967	55.7	31.1	13.0	2,718
1970	56.1	31.8	12.0	2,955
1972	56.3	32.1	11.5	3,064

Source: Derived CBS Annual Statistics.

Table A-2 - Hospital Beds by Denomination (in membership)				
Year/Denom.	Non-denominational	Catholic	Protestant	Total
1950	17,684	19,994	6,733	44,411
1955	20,214	22,322	8,478	51,014
1960	23,433	24,557	10,028	58,018
1965	23,629	27,798	11,972	63,399
1970	25,757	31,108	14,735	71,600
1975	29,339	32,088	12,840	74,267
1977	27,924	30,405	14,882	73,211
1985	28,173	22,902	12,104	63,179

Source: CBS Annual Statistics.

**Table A-3 Denominationally Homogeneous Marriages by Year and Denomination
(as percent of all marriages in the year)**

Year/Denom.	Catholic	Protestant	Other	No Denomination	Other
1936	86.8	86.2	85.2	59.6	83.3
1940	87.0	83.4	53.7	61.5	80.2
1946	87.6	83.8	37.7	62.8	80.5
1950	88.7	83.2	40.7	62.0	81.1
1955	90.4	84.0	44.8	68.0	82.9
1960	89.7	82.5	44.0	67.4	81.9
1965	88.4	80.2	41.7	66.7	80.4
1970	82.9	74.1	39.7	66.3	75.3
1975	78.5	68.6	43.7	64.6	71.2
1980	77.6	68.4	50.3	66.9	71.1

Source: CBS Marriage Statistics

Note: In this chart, other refers to religious groups other than Roman Catholic and main line Protestant, many of which are generally labeled "progressive."

Table A-4 - Dutch Parliamentary Election Results

Year/Party	PvdA	D'66	KVP	ARP	CHU	VVD	Others
1946	28.3		30.8	12.9	7.8	6.4	13.8
1948	25.6		31.0	13.2	9.2	7.4	13.6
1952	29.0		28.7	11.3	8.9	8.8	13.3
1956	32.7		31.7	9.9	8.4	8.8	8.5
1959	30.4		31.6	9.4	8.1	12.2	8.3
1963	28.0		31.9	8.7	8.6	10.3	12.5
1967	23.6	4.5	26.5	9.9	8.1	10.7	16.7
1971	24.6	6.8	21.8	8.6	6.3	10.3	21.6
1972	27.3	4.2	17.7	8.8	4.8	14.4	22.8
1977	33.8	5.4		31.9		17.9	11.0
1981	28.3	11.1		30.8		17.3	12.5
1982	30.4	4.3		29.4		23.1	12.8
1986	33.3	6.1		34.6		17.4	8.6
1989	31.9	7.9		35.3		14.6	10.3
1994	24.0	15.5		22.2		19.9	18.4

Source: *Compendium voor Politiek en Samenleving* and *Jahrbuch der Europäischen Integration* 1993/94.

Note: In 1975, the three major religious parties (KVP, ARP, and CHU) combined to form the CDA.

The Dutch Political Parties

PvdA - Partij van de Arbeid - Dutch Labor Party (moderate left wing)

D'66 - Democraten '66 - Democrats 1966 (left moderate party)

KVP - Katholiek Volkspartij - Catholic People's Party (right moderate Catholics)

ARP - Antirevolutionair Partij - Anti-revolutionary Party (right moderate Protestants)

CHU - Christelijk Historische Unie - Christian Historical Union (right moderate Protestants)

VVD - Volkspartij voor Vrijheid en Democratie - People's Party for Freedom and Democracy - "Liberals" (moderate right wing)

"Others" includes Groen-Links (Green-Left, a collection of left wing parties forming the extreme left), three Calvinist parties (GPV - Gereformeerd Politieke Verbond or Reformed Political Union, RPF - Reformatorische Politieke Federatie or Reformed Political Federation, and SGP - Staatkundig Gereformeerde Partij or Political Reformed Party, all of which are nationalist right wing parties), the CD (Centrum Democraten or Central Democrats, the extreme right) and numerous single issue parties which vary by election.

Table A-5 - Degree of Consensus in European Democracies Since 1967

Country	Consensus Score
Switzerland	8.39
Belgium	4.22
Finland	3.71
Italy	3.70
Denmark	1.10
Netherlands	0.99
Sweden	-0.29
France	-0.50
Germany	-0.64
Austria	-2.64
Ireland	-3.55
Luxembourg	-4.28
United Kingdom	-10.41

Source: Mair, 115.

These scores represent the sum of standardized values on Lijphart's eight indicators since the late 1960's. The more positive the score the higher the level of consociational democracy. The more negative the score the higher the level of majoritarian democracy. These scores indicate that while the Netherlands is still a consensus democracy, they are now only marginally so. For a further discussion of this data, see Peter Mair, "The correlates of consensus democracy and the puzzle of Dutch politics," West European Politics v17, n4 (October 1994).

Table A-6 - Trust in Dutch Politics (in percent agreeing with statement)					
	1971	1972	1977	1986	1989
Parties care about my opinion	29	31	43	49	56
I have a say in what the government does	34	32	45	47	53
My vote matters	77	81	85	89	92
Ministers are working for the good of the state, not their own interests			65	62	68
Selection as an MP is based on ability			47	50	59
MP's care about my opinion	37	33	45	54	59

Source: Dutch National Election Study.

Table A-7 - Attitude Towards the Single Market (in percent of those polled)								
Attitude/Year	1988	1989	1990	June 1991	Dec. 1991	June 1992	Dec. 1992	Jun 1993
Hopeful	71	72	66	74	65	65	63	64
Fearful	14	13	17	13	22	18	21	20
No Reply	15	15	17	13	13	17	16	16

Source: Eurobarometer Trends 1974-1992 and Eurobarometer #39.

Appendix B - Dutch Political Parties

Table B-1 - Dutch Political Parties

Acronym	Dutch Name	Translation	Ideological Position
AOV*	Algemeen Oudereren Verbond	Universal Elder's Party	Senior Citizen's Rights
ARP†	Antirevolutionair Partij	Anti-revolutionary Party	Right Moderate Protestants
CD	Centrum Democraten	Central Democrats	Far Right Wing
CDA	Christendemocratisch appèl	Christian Democrats	Right Moderates
CHU‡	Christelijk Historische Unie	Christian Historical Union	Right Moderate Protestants
D'66	Democraten '66	Democrats '66	Left Moderates
Groen-Links‡		Green-Left	Far Left Wing Coalition
GPV§	Gereformeerde Politieke Verbond	Reformed Political Union	Right Wing Calvinists
KVP†	Katholiek Volkspartij	Catholic People's Party	Right Moderate Catholics
PvdA	Partij van de Arbeid	Dutch Labor Party	Moderate Left Wing
RPF§	Reformatorische Politieke Federatie	Reformed Political Federation	Right Wing Calvinists
SGP§	Staatkundig Gereformeerde Partij	Political Reformed Party	Right Wing Calvinists
SP	Socialistische Partij	Socialist Party	Far Left Wing
Unie 55+*		Union 55+	Senior Citizen's Rights
VVD	Volkspartij voor Vrijheid en Democratie	Dutch Liberal Party	Moderate Right Wing

* In the 1994 elections, two single issue parties (AOV and Unie 55+) won seats for the first time.

† In 1975, the three moderate religious parties (ARP, CHU, and KVP) combined to form the CDA.

‡ In 1989 the far left parties (Communists, Socialists, and Greens) combined to form Groen-Links.

§ The three Calvinist parties (GPV, RPF, and SGP) tend to function as a right wing block.

Figure B-1
Dutch Political Party Ideological Spectrum

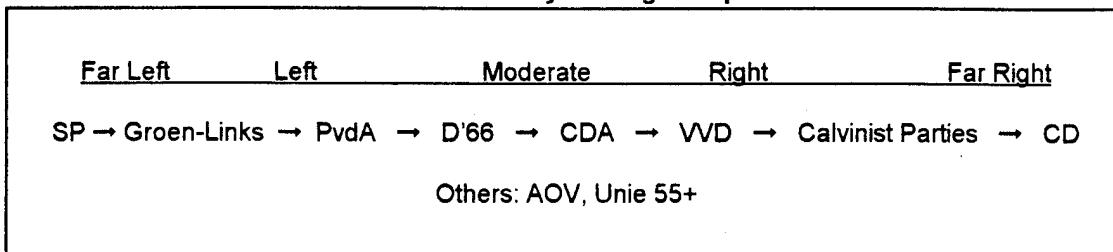


Table B-2 - Current Tweede Kamer Composition
(based on 1994 election results)

Party	PvdA	VVD	D'66	CDA	GL	SGP	RPF	CD	SP	AOV	Unie 55+
Vote %	24.0	19.9	15.5	22.2	3.5	1.7	1.3	2.5	1.3	3.6	0.9
Seats	37	31	24	34	5	2	2	23	2	6	1

Source: Jahrbuch der Europäischen Integration 1993/94
Groen Links

**Table B-3 - The Kok Government
(as of 3 October 1995)**

Ministry	Current Minister	Party
Prime Minister	Dr. Wim Kok	PvdA
Agriculture	Dr. Jozias van Aartsen	VVD
Defense	Dr. Joris Voorhoeve	VVD
Development Assistance	Dr. Jan Pronk	PvdA
Economics	Dr. Hans Wijers	D'66
Education	Dr. Jo Ritzen	PvdA
Finance	Dr. Gerrit Zalm	VVD
Foreign Affairs	Hans van Mierlo	D'66
Health	Dr. Else Borst-Eilers	D'66
Housing and Spatial Planning	Margreeth de Boer	PvdA
Internal Affairs	Hans Dijkstal	D'66
Justice	Winnie Sorgdrager	D'66
Social Work and Employment	Dr. Ad Melkert	PvdA
Transportation and Water	Annemarie Jorritsma-Lebbink	VVD

Source: "Ministers Kabinet Kok," found at <http://www.dds.nl/overheid/pdc/890/003/89000397.html>

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